ADM
RARY

Final Edition THURSDAY In 2 Sections – Section 1

NOV 14 1941

FINANCIAL The COMMERCIAL & CHRONICLE

Reg. U. S. Pat. Office

Volume 154 Number 4006 New York, N. Y., Thursday, November 13, 1941 Price 60 Cents a Copy

Speakers Flay Proposed Amendments to Securities Acts at N. Y. Dealers Meeting

Edward E. Chase, President of the Maine Securities Company of Portland, Maine, at a general meeting of the New York Security Dealers Association at the Bankers Club on Nov. 6, told a gathering of representatives from approximately 200 Over-the-Counter firms that a committee representing Maine dealers has asked Congress not to enact the proposed changes to Section 14 of the Securities Exchange Act (the proxy section) unless Congress also enacted the bill which was introduced (H. R. 5832) which would prevent in the future the granting of "Unlisted Trading Privileges" to any Exchange except in securities fully listed upon some other national securities exchange. By this procedure, the right of decision would be restored to the issuer whose securities could not thereafter be exposed to the disadvantages of Exchange trading without his consent. Mr. Chase further stated that he believed that the great majority of listed securities would have more reliable and more stable markets if they were removed from the Exchanges and committed to the care of reliable distributors; also that the advantages of Exchange listing have been greatly exaggerated.

Mr. Chase asserted that if we consider financial conditions which the Securities Acts were designed to correct, the principal objectives are to curb speculation, to prevent the circulation of false and half-baked information, to encourage intelligent decisions by investors and to promote stability in prices and responsible ownership. He declared the Exchanges sold the country the cowardly philosophy of liquidity. No one ever should own any security, they said, unless they could get rid of it quickly; and it was intimated, falsely as it turned out, that the Exchanges would provide a ready market. The Exchanges have failed to provide a stable and reliable market. Whenever a real selling job comes along—witness the liquidation of the British securities and other large holdings—the methods of the distributor have to be used.

Marketability or activity was deemed a partial substitute for merit. Even the financial services fell into this error. The repercussions are still being felt with disastrous effect all over the country, with thousands of sound small business enterprises being deprived of long term bank credit, by reason of the activity—weighted ratings being accepted as a test of eligibility.

Mr. Chase called liquidity a cowardly philosophy because it denies the only justification for a system of free enterprise—responsible ownership and the taking of risks. He said, "What good is a system of free enterprise in which everyone is trained to run away quickly, especially when those who train them are the first to run?" He contended that if the system, implicit in the purposes

(Continued on page 1019)

BROOKLYN TRUST COMPANY

Chartered 1866

George V. McLaughlin
President

NEW YORK BROOKLYN

Member Federal Deposit Insurance Corporation

THE CANADIAN BANK OF COMMERCE

HEAD OFFICE: TORONTO
Established 1867
Paid-Up Capital___$30,000,000
Reserve__________ 20,000,000

This Bank is in close touch with the commercial and financial life of Canada and is well equipped to serve corporations, firms and individuals interested in Canadian business.

Branches in every important city and town in Canada and Newfoundland, also in Portland, Oregon; San Francisco; Seattle; Los Angeles; London, England; Havana; Kingston, Jamaica; Bridgetown, Barbados, and Port of Spain, Trinidad.

NEW YORK AGENCY
Exchange Pl. & Hanover St.

CARL M. LOEB, RHOADES & CO.

61 BROADWAY
NEW YORK

London Buenos Aires

R. H. JOHNSON & CO.

INVESTMENT SECURITIES

64 Wall Street
New York

BOSTON PHILADELPHIA

Over-the-Counter Securities

Kobbé, Gearhart & Co.
INCORPORATED
Members N. Y. Security Dealers Ass'n
45 Nassau Street New York
Tel. Rector 2-3600 Teletype N. Y. 1-576

OUR REPORTER'S REPORT

The upward adjustment of member bank reserve requirements to the full limits permitted by law has been accomplished without any serious change in the monetary picture. Surplus reserves, both at New York and for the Federal Reserve System as a whole, though sharply curtailed in consequence of the change, are still ample for any near-term needs that can be perceived.

Such available reserves, now about $775,000,000 for New York institutions, and $3,410,000,000 for the system, are the lowest for some three years. But no particular strain on the banking position is indicated.

Quite to the contrary, aside from the Treasury bill market where material stiffening is noticeable, the investment market generlly remains virtually unmoved. There has been considerable shifting of position in the Treasury market, reflecting the varying interpretation placed on the shrinkage in reserves by institutional investors, but beyond some narrow irregularity the situation has not been markedly altered.

The corporate market, which naturally takes its cue from the action of Federal Government obligations, has been doing little more than mark time. And what is more to the point, underwriters do not appear to have been perturbed and are proceeding, where there is business in hand, to carry on in the usual manner.

2.5% Yield On Top-Grades

In prevailing circumstances the best guide to the seasoned bond market is provided by the top-grade utility bonds. And these, almost without exception, are ruling at present, at or near their all time record highs.

(Continued on page 1013)

THE NEW YORK TRUST COMPANY

Capital Funds . $37,500,000

100 BROADWAY

MADISON AVENUE AND 40TH STREET

TEN ROCKEFELLER PLAZA

Member of the Federal Deposit Insurance Corporation

Holds Cash Customer Of Bankrupt Broker Can Regain Securities In Broker's Name

Cash customers of bankrupt brokerage houses may repossess their securities even if purchased in the name of the brokerage firm, the Third United States Circuit Court of Appeals at Philadelphia ruled on Nov. 4. Indicating that two phases of the Chandler Act of 1938, of importance to both stock brokers and their customers, with particular relation to bankruptcies, were in the ruling given formal court interpretation, the "Philadelphia Inquirer" of Nov. 5 said:

In an opinion written by Judge Charles Alvin Jones and concurred in by Judges William Clark and Herbert F. Goodrich, it was held:

1—A dealer in securities is a stock broker within the meaning of the act, and therefore subject to all of its provisions.

2—A customer who orders and pays for securities, which securities are procured by the broker in the purchaser's name and held by him at any time prior to bankruptcy, may be reclaimed by the customer under the law, provided he is not otherwise indebted to the bankrupt.

The following relative to the ruling is from a Philadelphia Associated Press account:

Court observers said it was the first interpretation by any of the higher Federal courts of a clause in the Chandler Act which provides that a customer, unless he can prove the securities claimed are the "identical ones" bought for him by the broker, becomes a common creditor sharing pro rata with marginal creditors the distribution of assets.

Trustees for creditors of the bankrupt investment house of McMillan, Rapp & Co. objected to the claim of Paul Freeman,

(Continued on Page 1018)

INDEX

Page
Bank and Insurance Stocks...... 1014
Calendar of New Security Flotations 1021
Investment Trusts 1015
Jottings 1011
Municipal News & Notes......... 1016
Our Reporters Report............ 1009
Personnel Items 1012
Railroad Securities 1013
Securities Salesman's Corner (The) 1017
Tomorrow's Markets—Walter Whyte Says 1011
Bond Selector (The)............ 1018
Whisperings 1014
Our Reporter on Governments.... 1024
Results of Treasury Bill Offerings. 1024
Uptown After 3................. 1015
Speakers Flay Proposed Securities Acts Changes............. 1009
Cash Customer Can Reclaim Securities 1009

THE CHASE NATIONAL BANK
OF THE CITY OF NEW YORK

Broaden your customer service with Chase correspondent facilities

Member Federal Deposit Insurance Corporation

OTIS & CO.
(Incorporated)
Established 1899

CLEVELAND
New York Chicago

Canadian Securities
DIRECT PRIVATE WIRE TO TORONTO

The FIRST BOSTON CORPORATION
NEW YORK BOSTON
CHICAGO
PHILADELPHIA SAN FRANCISCO
AND OTHER PRINCIPAL CITIES

AMERICAN MADE MARKETS IN CANADIAN SECURITIES

HART SMITH & CO.
Members
New York Security Dealers Assn.
52 WILLIAM ST., N. Y. HAnover 2-0980
Bell Teletype NY 1-395
New York Montreal Toronto

FINCH, WILSON & CO.
Members New York Stock Exchange

Commission Orders Carefully Executed for Institutions and Individuals

120 BROADWAY, NEW YORK

MARKETS FOR
MORTGAGE
CERTIFICATES
issued by
BOND & MORTGAGE GUAR. CO.
HOME TITLE INSURANCE CO.
LAWYERS MORTGAGE CO.
LAWYERS TITLE & GUAR. CO.
N. Y. TITLE & MORTGAGE CO.
STATE TITLE & MORTGAGE CO.
TITLE GUARANTEE & TRUST CO.
All other local companies
Newburger, Loeb & Co.
Members New York Stock Exchange
40 Wall St., N.Y. WHitehall 4-6300
Bell Teletype NY 1-2033
Philadelphia Atlantic City Lebanon

Wickwire Spencer Steel
Autocar Corp.
Struthers Wells-Titusville
J. F. Reilly & Co.
Members
New York Security Dealers Assn.
50 Broad St., New York, N. Y.
HAnover 2-4660
Bell System Teletype, N. Y. 1-2480

Potrero Sugar Pfd.
Pecos Valley Power & Light
6s & 6½s
29th St. Towers
3s-42 w.s.
Terminals & Transportation
Common & Pfd.
Commonwealth Gas
6s & Common
Detroit International Bridge
Bonds & Stock
Frank C. Masterson & Co.
Members New York Curb Exchange
64 WALL ST NEW YORK
Teletype NY 1-1140 HAnover 2-9470

So. Cities Utilities 5s, 1958
Houston Natural Gas Common
Old Ben Coal 6s, 1948 w. s.
Eastern Corp. Common
Houston Oil Co. Preferred
Tudor City Units
We also specialize in all Westchester County Securities including Mortgage Certificates and Bank Stocks
Schoonover, deWillers & Co.
INC.
120 BROADWAY 20 S. BROADWAY
NEW YORK, N.Y. YONKERS, N.Y.
REctor 2-7634 MArble 7-8500
Bell Teletype NY 1-2361

Merrill Lynch Branch Now In New Location

ST. PAUL, MINN.—The new branch office of Merrill Lynch, Pierce, Fenner & Beane has moved into its permanent location, W-1591 First National Bank Building. The office has been operating in temporary quarters since Sept. 15, 1941, under the management of J. M. Wallace, Jr. William B. Webster is the assistant manager, Paul E. Casserly, an account executive, and Ralph W. Lamber has charge of the bond department.

TRADING MARKETS
IN
UTILITIES
RAILROADS
INDUSTRIALS
G. A. Saxton & Co., Inc.
NEW YORK BOSTON

Associated Gas & Elec. Corp.
(All issues)
Associated Electric 5s, 1961
Atlantic Coast Line of Conn.
Autocar Co.
Braniff Airways
General Aniline & Film "A"
Marathon Paper Mills
Missouri-Kansas Pipe Line
Panhandle Eastern Pipe Line
Punta Alegre Sugar
Sylvania Industrial
Wabash R. R. New "w. i."
West Indies Sugar Com.-Pfd.
Wickwire Spencer Steel
York Ice Machinery Pfd.
WERTHEIM & CO.
Members New York Stock Exchange
120 BROADWAY, NEW YORK
Telephone REctor 2-2300
Teletype NY 1-1693

Counter Dealers Wake Up!

With the opening of hearings on the proposed amendments to the Securities Act and the Securities Exchange Act before the House Committee on Interstate and Foreign Commerce, over-the-counter dealers are realizing that their interests were not properly represented at the conferences between the Securities Exchange Commission and the industry, that resulted in the voluminous report that was issued.

It is high time the over-the-counter dealers organized to oppose vigorously certain proposed amendments to the Securities Exchange Act.

IBA Convention Forum To Feature Shop Talk

Word reached Investment Bankers Association members on Nov. 10 of an innovation for the 1941 convention which is to be held at Hollywood, Fla., Nov. 30 to Dec. 5. The new features is a session devoted strictly to shop talk, scheduled as a forum on "How to Meet the Overhead in 1942." A panel of eight investment bankers representing securities houses in as many different cities will form a "panel" of experts to lead the discussion and bring out an exchange of helpful ideas on day-to-day operating problems of everyone in the business, the announcement said. Included on the panel are the following:

John Clifford Folger, Folger, Nolan & Co., Inc. Washington, who will act as Chairman; John W. Clarke, John W. Clarke, Inc., Chicago; H. H. Dewar, Dewar, Robertson & Pancoast, San Antonio; Paul W. Loudon, Piper, Jaffray & Hopwood, Minneapolis; Laurence M. Marks, Laurence M. Marks & Co., New York; Charles B. Merrill, Merrill, Turben & Co., Cleveland; T. Edward O'Connell, Murphy, Favre & Co., Spokane; and Robert C. Webster, Webster & Gibson, Nashville.

The announcement states:

Behind the plan for the "our business" forum, are the "innumerable new and basic problems confronting investment banking. Profitable operation is made more difficult by new regulations, by increased taxes, by increased inroads by the Government into private financing, and by decreased investment opportunities for the general public.

"All these things form a new basis upon which the investment banking business must be operated. All of them accentuate the need for sound sales ideas, still more economies in operation, operating methods which can help the business to keep going so as to serve in the war emergency and, most important, in the post-war readjustment era."

An earlier reference to the Convention plans appeared in these columns Nov. 6, page 915.

Nominees Announced For NASD Dist. No. 8

The Nominating Committee for District 8 of the National Association of Securities Dealers, Inc., covering Illinois, Indiana, Iowa, Michigan, Nebraska and Wisconsin, have submitted L. Raymond Billet, Stern, Wampler and Co., Inc., Chicago, Ill.; Augustus Knight, Knight, Dickinson & Co., Chicago, Ill.; Bennett S. Martin, First Trust Co., Lincoln, Neb.; and C. William Raffensperger, Raffensperger, Hughes & Co., Inc., Indianapolis Ind., to fill impending vacancies on the district committee. These will succeed John W. Clarke, John W. Clarke, Inc., Chicago; Ralph S. Longstaff, Rogers & Tracy, Inc., Chicago, Vice-Chairman of the present committee; A. C. Potter, Burns, Potter & Co., Omaha, Neb., and E. J. Wuensch, Indianapolis Bond and Share Corp., Indianapolis, whose terms of office will expire on Jan. 16, 1942.

The nominating committee for the district is comprised of Nathan D. McClure, Harriman, Ripley & Co., Inc., Chicago, Chairman; Wesley A. Behel, Behel, Johnsen & Co., Inc., Chicago; Julien H. Collins, Harris, Hall & Co., Inc., Chicago; LeRoy Falvey, Thomas D. Sheerin & Co., Indianapolis, and Cecil W. Slocum, Burns, Potter & Co., Omaha.

Trading Markets in
Bank Stocks
Insurance Stocks
Amerex Holding
American Cyanamid Pfd.
Northeastern Water & Elec. Pfd.
Public Service Ind., Com. & Pfd.
Talon, Inc.
Frederic H. Hatch & Co.
Incorporated
Members New York Security Dealers Association
63 Wall St., New York, N. Y. Bell Teletype NY 1-897

HODSON & COMPANY,
Inc.
165 Broadway, New York

LaSalle St. Cashiers To Hear F. Patton

CHICAGO, ILL.—Francis F. Patton, Vice-President of A. G. Becker & Co. and Governor and member of the Executive Committee of the National Association of Securities Dealers, will explain the functions and activities of the N. A. S. D. to members of the LaSalle Street Cashiers at a dinner meeting to be held on Tuesday evening, Nov. 18th, at 6 o'clock p.m., at DeMet's Board of Trade Grill, it was announced by Thomas L. Dowd, Chairman of the Practice and Procedure Committee of the Cashiers.

Francis F. Patton

It is expected that Robert W. Baird, President of the Wisconsin Company, Milwaukee, National Chairman of N. A. S. D., William D. Fuller, Fuller, Cruttenden & Co., member of Board of Governors and Finance Committee of N. A. S. D., will be present. Regional officers of N. A. S. D. Messrs. Charles B. Crouse Crouse & Co., Detroit, Chairman; Ralph S. Longstaff, Vice-Chairman, and William R. Mee, Field Secretary, are also expected to attend.

The meeting, Mr. Dowd explained, is not confined to LaSalle Street Cashiers. Partners and officers of firms and associates interested in a first-hand explanation of the N. A. S. D. are invited to attend.

Hugh Jacks Now With E. H. Rollins & Sons

(Special to The Financial Chronicle)

SAN FRANCISCO, CALIF.—Hugh J. Jacks has rejoined E. H. Rollins & Sons, Inc., Russ Building. Mr. Jacks was recently a partner in Kaiser & Co. with headquarters in Chicago, and prior thereto was manager of the municipal department of the San Francisco office of E. H. Rollins & Sons.

W. Berney Perry Elected Milhous, Gaines V.-P.

BIRMINGHAM, ALA.—W. Berney Perry has been elected a Vice-President of Milhous, Gaines & Mayes, Inc., investment dealers with offices in the First National Building, Birmingham, and Rhodes-Haverty Building, Atlanta, Ga. Mr. Perry has been associated with the firm for the past five years.

MISSOURI PACIFIC
5¼s, ser.
HOBOKEN FERRY
5s, 1946
KATZ BROS.
Established 1920
Members New York Security Dealers Ass'n
40 Exchange Pl., N.Y. HA 2-2772
BELL TELETYPE NY 1-423

TRADING MARKETS IN
REAL ESTATE
SECURITIES
★ ★ ★
SHASKAN & CO.
Members New York Stock Exchange
40 EXCHANGE PL., N.Y. DIGBY 4-4950
Bell Teletype NY 1-953

American Ordnance
Corporation
MANUFACTURERS OF THE Y GUN
(depth charge projector)
The Most Effective Weapon for
Combatting the Submarine
Information on Request
MARSH and COMPANY
42 BROADWAY, NEW YORK
BO. Green 9-9085 Tele. NY 1-1206

Carey Trust Original
Group Number One Oil Co.
Postal Telegraph Com.
Southwest Co. Class "A"
Underwriters Group—All Series
Washington Carey Trust
Westgate Carey—Overriding Royalty
Westgate Carey Trust
JOHN J. O'KANE JR. & CO.
Established 1922
Members N. Y. Security Dealers Ass'n
42 Broadway, New York
DIgby 4-6320 Teletype NY 1-1525

Louisiana
Securities
STEINER, ROUSE & Co.
Members New York Stock Exchange
25 Broad St. Brown-Marx Bldg.
New York, N.Y. Birmingham, Ala.
NY 1-1557 BH 198
Maritime Bldg.
New Orleans, La.
Direct Wire

Haytian Corp. 5s/89
Pittsburgh Metalurgical
Triumph Explosives, common
Triumph Explosives, 1st war.
Triumph Explosives, 2nd war.
Trading Department
DURYEA & CO.
Members New York Stock Exchange
65 BROADWAY, NEW YORK, N. Y.
Teletype NY 1-1702
Tel. WHitehall 4-0488-89-90-91

COMMERCIAL and
FINANCIAL CHRONICLE
Reg. U. S. Patent Office
William B. Dana Company
Publishers
25 Spruce Street, New York
BEekman 3-3341
Herbert D. Seibert,
Editor and Publisher
Frederick W. Jones, Managing Editor
William Dana Seibert, President
William D. Riggs, Business Manager

Thursday, November 13, 1941

Published three times a week [every Thursday (general news and advertising issue) with statistical issues on Tuesday and Saturday]

Other offices: Chicago—In charge of Fred H. Gray, Western Representative, Field Building (Telephone State 0613). London—Edwards & Smith, 1 Drapers' Gardens, London, E.C.

Copyright 1941 by William B. Dana, Company.

Reentered as second-class matter September 12, 1941, at the post office at New York, N. Y., under the Act of Mar. 3, 1879.

Subscriptions in United States and Possessions $26.00 per year, $15.00 for 6 months; in Dominion of Canada, $27.50 per year, $15.75 for 6 months. South and Central America, Spain, Mexico and Cuba, $29.50 per year, $16.75 for 6 months; Great Britain, Continental Europe (except Spain), Asia, Australia and Africa, $31.00 per year, $17.50 for 6 months. NOTE: On account of the fluctuations in the rate of exchange, remittances for foreign subscriptions and advertisements must be made in New York funds.

To The Institutional Seller:

We are equipped to liquidate blocks of underlying, inactive railroad bonds.

Inquiries invited

B. W. Pizzini & Co.
GUARANTEED RAILROAD STOCKS-BONDS

Telephone 52 Broadway Teletype
BO. Gr. 9-6400 NEW YORK N.Y. 1-1063

Hiram Walker Deb's Are Offered Today

Public offering of a new issue of $15,000,000 serial debentures of Hiram Walker-Gooderham & Worts Limited, a Canadian company, and its American subsidiary, Hiram Walker & Sons, Inc.—one of the big four distilling enterprises of North America—is being made today by a banking group headed by Smith, Barney & Co. and including 27 other underwriters.

The debentures, which mature from Nov. 1, 1942 to 1956, are priced at 100 and interest. They bear interest at rates ranging from .50% for the 1942 maturity to 3.20% for the 1956 maturity. The debentures are redeemable at the option of the two companies at any time prior to maturity at the principal amount plus a premium of 15/100 of 1% of such principal amount for each full year of unexpired life.

For the 12 months ended Aug. 31, 1941, Hiram Walker-Gooderham & Worts Limited and wholly owned subsidiary companies reported a net profit carried to earned surplus of $6,921,969, as compared with $6,065,664 for the corresponding period in 1940 and $5,295,979 for 1939.

Lachlan M. Vass With Steiner, Rouse & Co.

NEW ORLEANS, LA.—Steiner, Rouse & Company, members of the New York Stock Exchange and other leading exchanges, announce the opening of a department to deal in unlisted securities in their New Orleans office in the Maritime Building, with Lachlan M. Vass as manager. Mr. Vass for many years operated a securities business under his own name.

Tomorrow's Markets Walter Whyte Says—

The optimistic picture painted last week has now to be changed, but market is showing a build-up that indicates strength, although it must start from another zone; nonetheless don't ignore broken stops; further details below.

By WALTER WHYTE

Well, it begins to look like I put my foot in it again. Last week I came right out in meeting and wrote that the market was beginning to make little noises like the worst was over and that a rally was in the immediate offing. So what happened? No sooner did these deathless words break into print than the market reared up and emulated the well know McGinty.

* * *

Still, if I had last week's column to write over again I'm certain I'd have said just what I did. For despite the pessimistic overtones of the stock tape the underlying ones seemed indicative of strength to come. Stocks had begun to show a resistance to selling that, if it wasn't optimistic, certainly was not pessimistic. Yes, here and there certain other stocks were not acting well but as neither you nor I were interested in them I decided to overlook them. Meanwhile with the issues recommended here behaving well enough I saw little reason to start worrying about the immediate future of the trend.

* * *

Last Friday certain other signs began to creep in. Stocks which up to then had shown a marked resistance to bad news and, what at times looked like necessitous liquidation, began to back away from offerings. Outstanding among these was N. Y. Central. Of course it's easy to

(Continued on page 1020)

Community Power & Light Co.
1st Mtge. Coll. 5s, 1957
General Public Utilities Co.
1st & Coll. 6½s, Ser. A, 1956
1st & Coll. 6½s, Ser. C, 1955
Inquiries Invited
Spencer Trask & Co.
25 Broad Street, New York
Telephone HAnover 2-4300 Teletype NY 1-5
Members New York Stock Exchange
Members New York Curb Exchange

"JOTTINGS"

With so many dead cats being thrown at Leon Henderson, one trade now under his pretty rigid control is what you might call "reasonably well satisfied" with present ceilings—the textile industry. Not "satisfied," but feeling that it has "the best that can be hoped for" in the present automatic connection between cotton prices and prices of gray goods. No other trade so far has this arrangement, which fixes margins; but since the price of cotton is purely political and unfixable it was about the only possible compromise. Gray goods men won't shed any tears either over OPA's proposal to fix converters' margins also; they won't feel so singled out. Worth Street is also pleased by an OPA proposal to take a quarterly survey of stocks. There has always been more or less of a statistical black-out between the mills and retail outlets. So far, OPA wants to go only as far as converters; the trade would like to see it carry the survey clear down to retail outlets.

The cotton futures people, however feel particularly pleased with the gearing of textile prices to raw cotton. With practically all futures markets behind the political eight-ball, the direct tie-up of textile prices with raw cotton prices makes a beautiful argument for more mills, finishers, and even converters.

Speaking of the futures markets, if security brokers and dealers feel sorry for themselves they should take a look at the commodity futures business. If RFC, stock-piling, and other operations have dulled business so far, price control will be the finishing blow. That goes whether the Baruch plan, the Gore bill for all-over ceilings, or Henderson's plan for a "fly-swatting technique" of hitings one price at a time, goes through.

Incidentally, there isn't so much difference after all between these last two, so far as Henderson's power is concerned. In the one case all prices would be frozen and he could hand out exemptions; in the other they would start comparatively free and he could hand out ceilings, as now.

One member of the House Banking & Currency, speaking before the Commodity Club here last week, seemed to think that "leonine Leon" wasn't so averse to the over-all ceiling as he sounded in the press. Glad enough to compromise on the power in a one-ceiling-at-a-time plan first, while getting the credit for putting away the crown of greater power.

The same committee member pointed out that any time he wanted to, Henderson could wipe out anybody's profits by putting a low ceiling on him. Of course the victim could appeal. But it wouldn't do much good. How much good today is an appeal against an SEC ruling?

The Committee asked Henderson this: "If you had fixed a ceiling, and labor threatened to strike for wages which, at your ceiling, the employer couldn't possibly pay, would you raise the ceiling?" He said he wouldn't, but that if the strike succeeded and the wage increase was granted, he would raise the ceiling.

This is a curious contrast to recent New Deal arguments that price ceilings would ultimateliy hold wages down (after the employer's margin had been squeezed dry).

Incidentally, why shouldn't farm opposition to leaving wages out of the bill, and labor objection to leaving crops out of the blil, result in both going into the bill? Answer: Because the bill is a squeeze play against industrial profits more than a guard against inflation.

Incidentally, while grain and fiber-growing farmers have been jacking up their prices through higher CCC crop loan values, dairy farmers haven't been idle.

(Continued on page 1015)

We are interested in:

GIDDINGS & LEWIS MACHINE TOOL CO. Common Stock
FOOTE BROS. GEAR & MACHINE CORP. Common Stock
SIOUX CITY GAS & ELECTRIC CO. Common Stock
PUBLIC SERVICE CO. OF INDIANA Common Stock
ARKANSAS-MISSOURI POWER CORP. Common Stock
IOWA SOUTHERN UTILITIES CO. Common Stock
NORTHERN NATURAL GAS CO. Common Stock
IOWA PUBLIC SERVICE CO. Common Stock
ALTORFER BROS. COMPANY Common Stock
DETROIT HARVESTER CO. Common Stock
GISHOLT MACHINE CO. Common Stock
HART-CARTER CO. Common Stock

A.C. ALLYN AND COMPANY
INCORPORATED
CHICAGO NEW YORK

B. S. LICHTENSTEIN
AND COMPANY

GIVE US A TUMBLE

Check with us now if you own any rarely traded securities that tumble as soon as you ask for a bid!

Obsolete Securities Dept.

99 WALL STREET, NEW YORK
Telephone: WHitehall 4-6551

Aldred Investment Trust
4½s, 1967
Globe & Rutgers Fire Ins.
Common
Michigan Chemical

Joseph McManus & Co.
Members
New York Curb Exchange
Chicago Stock Exchange
39 Broadway, New York
DIgby 4-2290 Tele. NY 1-1610-11

We Are Specialists In
REAL ESTATE SECURITIES
Inquiries Invited In
Lawyers Mtge. Co. Ctfs.
Lawyers Title Co. Ctfs.
Bond & Mtge. Co. Ctfs.
and all other Title Co.'s
Bank Trust Participations
Complete Statistical Information

L. J. GOLDWATER & CO.
INC.
Members New York Security Dealers Assn.
39 Broadway, New York, N. Y.
HAnover 2-8970 Teletype NY 1-1203

BOND BARGAIN
Operating Utility
1st Mtg—Yield 10% +
Circular on Request

A. O. VAN SUETENDAEL
15 N. B'WAY - YONKERS, N. Y.
N. Y. City Telephone MArble 7-9524
Bell Teletype Yonkers 2318

Well known unlisted house has opening for a good "street" Contact Man and one Salesman.

Reply Box G 115, Commercial & Financial Chronicle, 25 Spruce Street New York, N. Y.

Washington Gas
& Electric Company
5s, due 1955 5½s, due 1953
5½s, due 1947 6s, due 1960
Bought—Sold—Quoted

R.E. SWART & Co.
INCORPORATED
40 EXCHANGE PLACE, NEW YORK
Tel.: HAnover 2-0510 Tele.: NY 1-1073

Canadian Mining Securities
Traded in U. S. Funds
Complete statistical data available on all Canadian mines
Macdonald & Bunting
Members Toronto Stock Exchange
41 Broad St., New York, N. Y.
HAnover 2-7673 Tele. NY 1-1619
Toronto New York

DIVIDEND NOTICES

ALLIS-CHALMERS MANUFACTURING COMPANY

Common Dividend No. 70

A dividend of fifty cents ($0.50) per share on the common stock without par value of this Company has been declared, payable December 22, 1941, to stockholders of record at the close of business December 1, 1941. Transfer books will not be closed. Checks will be mailed.

W. E. Hawkinson
Secretary

November 6, 1941

COLUMBIAN CARBON COMPANY

The Directors of Columbian Carbon Company have declared a year end dividend of $1.70 per share, payable December 10, 1941, to stockholders of record November 21, 1941 at 3 P M.

GEORGE L. BUBB
Treasurer

ELECTRIC BOAT COMPANY

33 Pine Street
New York, N. Y.

The Board of Directors has this day declared a dividend of fifty cents per share on the stock of the Company, payable December 10, 1941 to stockholders of record at the close of business November 26, 1941.

Checks will be mailed by Bankers Trust Co., N. Y., Transfer Agent.

HENRY R. CARSE, President

November 12, 1941

HOMESTAKE MINING COMPANY

Dividend No. 847

The Board of Directors has declared dividend No. 847 of thirty-seven and one-half cents ($.37½) per share of $12.50 par value Capital Stock, payable November 25, 1941, to stockholders of record 3:00 o'clock P.M. November 19, 1941.

Checks will be mailed by Irving Trust Company, Dividend Disbursing Agent.

R. A. CLARK, Secretary.

November 4, 1941.

Spencer Kellogg & Sons, Inc.

A quarterly dividend of $0.50 per share has been declared on the stock, payable December 10, 1941, to Stockholders of record as of the close of business November 22, 1941.

JAMES L. WICKSTEAD, *Treasurer*.

The current quarterly dividend of $1.25 a share on $5 Dividend Preferred Stock and a **dividend of 15 cents** a share on Common Stock have been declared, payable December 23, 1941, to respective holders of record November 28, 1941.

THE UNITED GAS IMPROVEMENT CO.
I. W. MORRIS Treasurer
October 28, 1941 Philadelphia, Pa.

McAlpin Curb Director

The Board of Governors of the New York Curb Exchange on Nov. 5 elected Benjamin B. McAlpin Jr., of Laird & Co., as a Class B Governor to fill the vacancy created by the resignation of John B. Lord until the next annual election on Feb. 9, 1942.

Mr. McAlpin was born in New York City and after graduating from Princeton University in 1921 began his business career with the Bankers Trust Co. In 1926 he went to Laird, Bissell & Meeds, and from 1927 to 1941 was with Taylor, Bates & Co. He is a director of Snider Packing Co., Wellington Oil, McKay & Co., O. B. Potter Co., and Rockwood Associates.

Class B Governors of the Curb Exchange are required by the Constitution to be associate member partners or non-member partners of regular or associate member firms doing business for the public.

NOTICE OF REDEMPTION

West Virginia Pulp and Paper Company

First Mortgage Bonds, 3% Series due 1954.

NOTICE IS HEREBY GIVEN that pursuant to the provisions of Article Three of the First Mortgage, dated as of December 1, 1939, from West Virginia Pulp and Paper Company to Irving Trust Company, as Trustee, the undersigned has drawn by lot and will redeem by operation of the sinking fund on December 1, 1941, at its principal office, No. One Wall Street, City of New York, $220,000. principal amount of West Virginia Pulp and Paper Company First Mortgage Bonds, 3% Series due 1954, at 101% of the principal sum thereof, together with accrued interest to December 1, 1941, the Bonds so drawn being identified by number, as follows:

M 6 M 11 M 15 M 34 M 40 M 78 M 81 M 96 M 102 M 173 M 246 M 320 M 321 M 333 M 361 M 549 M 628 M 634 M 668 M 675 M 730 M 734 M 783 M 801 M 819 M 836 M 851 M 860 M 917 M1027 M1030 M1143 M1190 M1250 M1263 M1294 M1308
M1320 M1362 M1363 M1396 M1433 M1476 M1517 M1527 M1538 M1617 M1667 M1747 M1753 M1815 M1821 M1839 M1840 M1875 M1911 M1975 M2034 M2045 M2054 M2082 M2159 M2217 M2241 M2296 M2420 M2425 M2516 M2558 M2701 M2742 M2757 M2762 M2776
M2790 M2882 M2915 M2937 M2993 M3003 M3031 M3032 M3079 M3211 M3239 M3243 M3288 M3305 M3330 M3346 M3364 M3395 M3416 M3446 M3510 M3516 M3522 M3546 M3594 M3631 M3659 M3677 M3682 M3696 M3737 M3787 M3796 M3847 M3881 M3899 M3913
M3923 M3948 M3951 M3952 M4010 M4052 M4114 M4159 M4218 M4290 M4343 M4446 M4500 M4555 M4586 M4587 M4588 M4592 M4640 M4716 M4773 M4866 M4912 M4927 M4970 M5000 M5010 M5025 M5040 M5059 M5099 M5132 M5146 M5152 M5167 M5175 M5224
M5254 M5262 M5286 M5288 M5303 M5304 M5364 M5383 M5412 M5416 M5423 M5429 M5443 M5498 M5551 M5572 M5657 M5886 M5950 M6002 M6012 M6044 M6066 M6078 M6159 M6243 M6394 M6395 M6411 M6419 M6495 M6538 M6545 M6576 M6617 M6654 M6656
M6657 M6678 M6758 M6771 M6772 M6789 M6955 M6972 M7092 M7218 M7317 M7369 M7396 M7433 M7482 M7558 M7575 M7597 M7637 M7653 M7674 M7681 M7708 M7732 M7793 M7796 M7825 M7848 M7850 M7857 M7871 M7874 M7919 M7933 M8000

The designated Bonds should be surrendered on or after December 1, 1941 at the Corporate Trust Department of the undersigned in bearer form or, if registered, accompanied by duly executed instruments of transfer, with all coupons thereto attached maturing after December 1, 1941. Coupons maturing on December 1, 1941 should be detached and presented for payment in the usual manner. After December 1, 1941, said Bonds shall cease to bear interest and shall cease to be entitled to the security of the mortgaged property, and the appurtenant coupons maturing subsequent thereto shall be void.

IRVING TRUST COMPANY, as Trustee,
By F. G. HERBST, Vice President.

Dated: New York, October 25, 1941.

SEC Applications for Dealer Broker Registry

The following applications for registration as brokers and dealers have been made with the Securities and Exchange Commission on the dates indicated:

Oct. 16, 1941—Irwin S. Spellman Co., 351 East 72nd Street, New York, N. Y., Irwin S. Spellman, sole proprietor.

Oct. 17, 1941—Philip J. Liuzza, Inc., 204 Maritime Building, New Orleans, La., Philip J. Liuzza, formerly an individual dealer, Michel J. Liuzza, and Mary Elizabeth Mangiaracina, officers, Tait-Thompson, Inc., 347 Madison Avenue, New York City, Ivan Vernon Weisbrod and Walter H. Morgan are officers in addition to J. Parker Thompson, President.

Oct. 18, 1941—Mercantile Investment Company, 922 Perrine Building, Oklahoma City, Okla., William Henry Walker, Thomas Jefferson Collins, and Robert William Moss, officers; John D. Howard & Co., South & Redwood Streets, Baltimore, Md., John D. Howard withdrawn as partner, and Harry R. Piet, Jr., formerly cashier of the firm, admitted to partnership.

Oct. 22, 1941—Walter Swan, 2721 East 21st Street, Brooklyn, N. Y., a sole proprietorship.

Oct. 23, 1941—Charles R. Connolly & Co., 2 Montrose Drive, North Chevy Chase, Md., Charles Robert Connolly, sole proprietor; Georgianna Hysom, Tyler Hotel, Tyler, Texas, a sole proprietorship to deal in oil royalties.

Oct. 24, 1941 — Morphy and Smart, 329 Hibernia Bank Building, New Orleans, La., Clifford C. Morphy and Lawrence F. Smart, partners; Southwestern Investment Company, 814 Polk Street, Amarillo, Tex., R. Earl O'Keefe, S. Wayne O'Keefe, W. A. Meyers, J. B. Bourland, D. M. Lynch, Fred J. Chastain, J. A. Mitchell, M. C. Finley, M. K. Brown, R. L. Howsley, E. L. Green, Jr., S. D. Safranko, and C. P. Buckler, officers.

Oct. 27, 1941—Lawrence Mattikow & Co., Inc., 44 Court Street, Brooklyn, N. Y., Lawrence Mattikow, Jack Labie, and Martin Niederhoffer, officers; Texas-Arkansas Fund, Inc., 1003 Kirby Bldg., Dallas, Tex., Roy E. Bell, J. E. Berry, E. J. Browne, C. P. Dodson, Logan Ford, J. R. Grant, Ben H. Powell, O. K. Shannon, H. E. Sullivan, and W. H. Thomson are officers in addition to C. L. Moruzzi, Robt. B. Hincks, O. W. Erringer, J. Edward Brown, and Marshall Newcomb.

Oct. 28, 1941—Edson R. Waters, Main Street, Glen Gardner, N. J., a sole proprietorship.

Oct. 30, 1941—Heinzelmann & Ripley, 40 Exchange Place, New York, N. Y., Henry B. H. Ripley and Paul Heinzelmann as partners.

UTILITY PREFERREDS

JACKSON & CURTIS
ESTABLISHED 1879

PERSONNEL ITEMS

If you contemplate making additions to your personnel, please send in particulars to the Editor of the Financial Chronicle for publication in this column.

(Special to The Financial Chronicle)
BOSTON, MASS.—**Joseph Warren Downs, Jr.**, has become associated with **Draper, Sears & Co.**, 53 State Street.

(Special to The Financial Chronicle)
BOSTON, MASS.—**William H. Beever** has been added to the staff of **Trust Funds, Inc.**, 89 Broad Street. In the past Mr. Beever was associated with Studley, Shupert & Co.

(Special to The Financial Chronicle)
CHICAGO, ILL.—**John F. Moffett**, formerly of A. R. Hughes & Co., is now associated with **Jackson & Curtis**, 231 South La Salle Street, in their investment department.

(Special to The Financial Chronicle)
CHICAGO, ILL.—**Mrs. L. Blanche Bowen** is now connected with **Daniel F. Rice & Co.**, 141 West Jackson Boulevard. Mrs. Bowen previously was with Merrill Lynch, Pierce, Fenner & Beane and J. S. Bache & Co. in Miami, Florida.

(Special to The Financial Chronicle)
CHICAGO, ILL.—**Alfons Sophie** is now with **Ryan-Nichols & Co.**, 105 South La Salle Street. Mr. Sophie was previously with John J. Seerley & Co and prior thereto with Addison Warner & Co. and F. A. Brewer & Co.

(Special to The Financial Chronicle)
CLEVELAND, OHIO—**Clarence W. Whitwell** has become affiliated with **William J. Mericka & Co., Inc.**, Union Commerce Building. Mr. Whitwell was formerly with Morrow & Co., Cunningham & Co. and Byram & Co.

(Special to The Financial Chronicle)
DOVER, N. H. — **Chester J Greenier** is representing **Gordon B. Hanlon & Co.**, whose main office is located at 10 Post Office Square, Boston, Mass. Mr Greenier was previously with R H. Johnson & Co. and prior thereto for some years with Charles A. Day & Co.

(Special to The Financial Chronicle)
LOS ANGELES, CALIF. — **George W. Woolley**, previously with Norman B. Courteney & Co., is now associated with **Davies & Co.**, Pacific Mutual Building.

(Special to The Financial Chronicle)
LOS ANGELES, CALIF. — **James F. Ferron** is now with **Pacific Company of California**, 623 South Hope Street. Mr. Ferron was formerly with William H. Jones & Co.

(Special to The Financial Chronicle)
LOS ANGELES, CALIF.—**J. W. Gustavson**, previously with Bankamerica Company, has become affiliated with **Franklin Wulff & Co., Inc.**, 650 South Spring Street.

(Special to The Financial Chronicle)
LOS ANGELES, CALIF.—**Clarence J. Montgomery** has been added to the staff of **Wyeth, Hass & Co.**, 647 South Spring Street.

(Special to The Financial Chronicle)
MACON, GA.—**John M. Greene** has joined the staff of **Merrill Lynch, Pierce, Fenner & Beane**, 363 Third Street.

(Special to The Financial Chronicle)
RALEIGH, N. C.—**Frank Bergmann Mund** is now connected with **Scott, Horner & Mason, Inc.**, Law Building, Lynchburg, Va.

(Special to The Financial Chronicle)
SACRAMENTO, CALIF. — **I. Earle Russell** has become associated with **Franklin Wulff & Co., Inc.**, Farmers & Mechanics Building. Mr. Russell was previously with Insurance Securities, Inc., and in the past was local manager for American Fidelity Corp., Ltd

(Special to The Financial Chronicle)
SAN FRANCISCO, CALIF.—**Robert Fleetwood Hunt** is now affiliated with **Eastland, Douglass & Co.**, 317 Montgomery Street. Mr. Hunt was formerly with Geo. H. Grant & Co. and Brush, Slocumb & Co. In the past he was Pacific Coast Wholesale Representative for Broad Street Sales Corporation and was with Schwabacher & Co.

Bank Stock Interesting

M. A. Schapiro & Co., 1 Wall Street, New York City, have prepared an interesting analysis on the current situation in bank stocks with particular consideration to the question whether bank stock dividends are likely to be reduced because of present Federal income and excess profits taxes. Copies may be had from M. A. Schapiro & Co. upon request.

Fred Wulfing Now With Goldman, Sachs St. Louis

(Special to The Financial Chronicle)
ST. LOUIS, MO.—Fred H. Wulfing, formerly Vice-President of the Mutual Bank of St. Louis, has become associated with Goldman, Sachs & Co., Boatmen's Bank Building.

BIRMINGHAM

MARX & CO.
BIRMINGHAM, ALABAMA

SOUTHERN MUNICIPALS
and
CORPORATION BONDS

DALLAS

Bought — Sold — Quoted
Dr. Pepper
Republic Insurance
New Mexico Gas Co. Com. & Pfd.
Great Southern Life Ins. Co.
Southwestern Life Ins. Co.
Dallas Ry. & Ter. 6% 1951
All Texas Utility Preferred Stocks
Check us on Southwestern Securities
RAUSCHER, PIERCE & CO.
DALLAS, TEXAS
Ft. Worth-Houston-San Antonio

DETROIT

Active Trading Markets
THE
LEECE-NEVILLE
COMPANY
COMMON STOCK
Prospectus on Request
VAN GRANT & CO.
PENOBSCOT BLDG.
DETROIT
Telephone Cadillac 6134
Bell Teletype DE 49

LISTED AND UNLISTED SECURITIES

Charles A. Parcells & Co.
Members of Detroit Stock Exchange
PENOBSCOT BUILDING
DETROIT, MICH.

WATLING, LERCHEN & CO.
Members
New York Stock Exchange
New York Curb Associate
Detroit Stock Exchange
Chicago Stock Exchange

Ford Building
DETROIT
Telephone: Randolph 5530

Merrill Lynch Issuing New Monthly House Organ

Merrill Lynch, Pierce, Fenner & Beane, 70 Pine Street, New York City, has recently inaugurated a new monthly house organ for the personnel of the firm, known as "Around the Circuit." The new publication will contain news of "men, methods and events" in the organization and will be distributed to the firm's 91 offices throughout the country.

NEWARK

Public Serv. Coordinated Transport
1st & Refunding 4s, 1990

Jersey City, Hoboken & Paterson Street Railway
4s, 1949

J. S. Rippel & Co.
Established 1891
18 Clinton St., Newark, N. J.
MArket 3-3430
New York Phone—REctor 2-4383

ST. LOUIS

St. Louis Listed and Unlisted Securities

EDWARD D. JONES & Co.
Established 1922
Boatmen's Bank Building, ST. LOUIS

Members
New York Stock Exchange
St. Louis Stock Exchange
Chicago Stk. Exch. Chicago Bd. of Trade
Assoc. Member Chicago Mercantile Exch.
New York Curb Exchange Associate

Phone CEntral 7600
Postal Long Distance
Bell Teletype—ST L 593

STIX & CO.
SAINT LOUIS
509 OLIVE ST.

Members St. Louis Stock Exchange

Increase Differentials On Low Price Stocks

V. C. Brown & Co., Carlisle & Jacquelin, De Coppet & Doremus and Paul Zuckerman, principal odd-lot dealers on the New York Stock Exchange, announced on Nov. 3, in a joint letter to customers, that they find it necessary to increase, effective Nov. 10, the odd-lot differential of 1/16 now charged on stocks selling below $1.00 to ⅛, "because the present differential does not cover the dealer's costs in these stocks." The letter further explains:

> This is due to the fact that practically all of the orders in stocks selling under $1.00 are selling orders which require the dealers to sell round-lots against them in the open market. On such round-lot sales the dealer pays stamp tax and commission costs that are in excess of the differential now received.
>
> Effective on Nov. 10, 1941, the odd-lot differential will be ⅛ on all stocks that sell above ⅛.
>
> On stocks selling at ⅛ or less the differential will be one-half the selling price.

◆

Klein of SEC in New York Elected To Congress

Arthur G. Klein, for the past few years attorney in charge of the over-the-counter division of the New York Regional Office of the Securities and Exchange Commission, has been elected to the House of Representatives from the 14th District of New York.

Mr. Klein has recently formed the firm of Klein, Wikler & Gottlieb to engage in the practice of law with offices at 50 Broad Street, New York City.

ERIE RAILROAD

An analysis of the Company and new securities will be sent upon request.

Joseph Walker & Sons
Members New York Stock Exchange
120 Broadway
NEW YORK
Dealers in GUARANTEED STOCKS Since 1855
Tel. REctor 2-6600

Our Reporter's Report

(Continued from First Page)

To cite just a sprinkling it develops that Boston Edison's thirty-year issue is selling to afford a yield of just about 2.50%, while Consolidated Gas, Electric Light & Power of Baltimore 2¾s and Cleveland Electric Illuminating Co. thirty-year bonds are moving to afford similar yields.

Such securities yield approximately the same to the investor as the Treasury's 12-year special defense bonds which may be bought, up to $50,000 a person, to yield 2.50%.

Due Out Today

Bankers handling the marketing of Hiram Walker-Gooderham & Worts and Hiram Walker & Sons, Inc. serial debentures, were expected to bring that $15,000,000 project to public offering today.

Preliminary inquiry was regarded among dealers as indicative of a favorable reception for the securities of the big liquor firm.

Westinghouse Due Friday

Public offering of the $20,000,000 issue of ten-year Westinghouse Electric & Manufacturing Company's debentures is looked for tomorrow morning. This issue was placed in registration on Nov. 6, indicating rather generous acceleration upon the part of the Securities and Exchange Commission.

Proceeds of the undertaking will be used together with some $36,659,000 raised through the sale of common stock, to retire bank loans, provide for capital expenditures and add to working capital.

Although the coupon rate had not been fixed definitely, the Street was inclined to look for an interest rate of 1⅞%, or possibly 2%.

Private Placements and SEC

The much interrupted hearings on proposed amendments to the Securities Acts, now going on before a House group, has for the present, revolved itself pretty much around the matter of private placement of corporate securities.

Investment bankers naturally have been pressing their side of the question on this problem and have strongly emphasized their belief that all such issues should be subject to registration with the SEC.

Their argument, as set forth yesterday by R. McLean Stewart, speaking for the Investment Bankers Association, has been that all issues for more than $3,000,000 be required to register whether or not they are sold privately.

◆

R. Gillis Appointed to NASD Dist. 10 Committee

CLEVELAND, OHIO—Roderick A. Gillis, Gillis, Russell & Co., Union Commerce Building, has been appointed to serve the unexpired term of Corwin L. Lison on the National Association of Securities Dealers, Inc., District No. 10 Committee.

Boston Terminal Railroad Company
3½s and 4s
Bought—Sold—Quoted

PFLUGFELDER, BAMPTON & RUST
Members New York Stock Exchange
61 Broadway
New York
Telephone—DIgby 4-4933
Bell Teletype—NY 1-310
RAILROAD REORGANIZATION SECURITIES

RAILROAD SECURITIES

Speculators and investors have noted with interest and satisfaction the continued firmness of new "when-issued" income bonds in the period of general market weakness that followed announcement of the wage recommendations of the Fact Finding Board, and the refusal of operating unions to consider the terms. The answer is, obviously, the general confidence in the drastic capital revisions the Commission has required, and the belief that regardless of the ultimate outcome there will be sufficient income left under all but the most severe depression conditions to service these new bonds. In contrast, it is pointed out that any burden more onerous than that proposed by the Board, and particularly any move to make the increases permanent, would likely spell disaster for many of the marginal roads in the post-war deflation, and cause widespread dividend suspensions by the stronger properties.

In the group of "when-issued" income bonds there has been a notable increasing demand for the Chicago & North Western Income 4½s, 1999, which are selling below prices obtaining for junior series income bonds of other reorganization properties such as Wabash, "St Paul" and Missouri Pacific. The basic position of the bonds, and the fundamental earning power behind the "North Western" issue, does not warrant such a disparate market appraisal. Moreover, with the exception of Erie and Wabash, which reorganizations are virtually completed, it is conceded that the "North Western" should be the first of the major reorganization properties to emerge from the Court and that its plan is the least likely to be upset on appeal. This appeal to the Circuit Court should be heard this fall, with a decision likely by spring.

The current low price for the "North Western" incomes may probably be traced to the disposition on the part of investors to accept pro forma application of earnings during the past six or seven years at face value and as a definite criterion of what the road can earn under a recurrence of similar economic conditions. In part, the showing of such figures (admittedly discouraging) may be traced to the manner in which such pro forma exhibitions have been set up in most publications and reports. These show an additions and betterment fund of $3,000,000 a year deducted before arriving at income available for income bond interest. This amount applies only for the first three years to (Dec. 31, 1941) and thereafter is reduced to 2½% of gross or $2,500,000, whichever is the lesser. This alone adds ½% to earnings on the Incomes. Secondly, these pro forma earnings show fixed charges as actually provided in the Commission plan. This plan provided for $13,100,000 of new money at 4%, but with improving finances the company believes that the money will not be needed. Finally, interest and serial maturity requirements have been reduced by liquidation of PWA loans and reduction of RCC debt since the plan was set up. All in all, annual requirements ahead of the income bonds will be approximately $1,300,000 less than those generally allowed for. This is equivalent to more than a quarter of the annual interest requirements on the income bonds.

More important in obscuring the earning power of these income bonds has been the distortion caused in the trusteeship period by the state of physical disrepair into which the properties sank in the immediately preceding years when efforts were being made to maintain solvency. This has been general for bankrupt properties, but more pronounced in the case of "North Western." Compared with an average annual maintenance ratio of 32% for the whole western region, "North Western" spent 34.7% of revenues for upkeep in 1934, climbing to 38.3% in 1936 and reaching a high of over 42% in 1937. The maintenance ratio subsequently declined to 33.7% last year and will probably be no higher than 31% this year.

There have been important indirect earnings results from the poor physical condition of the properties. Transportation costs also naturally rise sharply when the plan is in a state of inefficient disrepair. For the three years 1937-1939, transportation ratio averaged above 41%, whereas it is estimated that it should be held to 34%, or less, this year. This showing will be closer to normal. Now that the rehabilitation program has been completed, the real earning power is beginning to show, but the public is naturally slow to accept the new operating base as permanent. When it is more fully realized that past performances actually are deceiving the bonds should be accorded their full quota of investor confidence. This trend is beginning to show itself. In this connection, it is pertinent that each drop of 1.2 points in either the maintenance or transportation ratio is equivalent to 1% on the income bonds. With a reasonable adjustment for the proportion of gross that will normally be absorbed by maintenance and transportation costs, now that the properties have been completely rehabilitated, it is indicated that the company will have no difficulty covering the full income bond interest under all but the most severe depression conditions; that is, conditions under which most of the now solvent marginal roads could be expected to succumb.

Railroad Reorganization Securities
(When Issued)

BEAR, STEARNS & Co.
Members New York Stock Exchange
New York Chicago

TAX SELLING

Many investment accounts are finding it expedient to register losses or profits before the close of the 1941 calendar year.

We are prepared to submit firm bids and offers on a net basis — to dealers only — on most railroad bonds, in large or small amounts.

Inquiries Invited

LEROY A. STRASBURGER & CO.
1 WALL ST., NEW YORK
WHitehall 3-3450 Teletype: NY 1-2050

As brokers we invite inquiries on blocks or odd lots of
HIGHEST GRADE RAILS
We also maintain net markets in
MIL. NOR. 4½s/39 (Brown)
SEABOARD ALL FLA. 6s/35
INT. GT. NOR. ADJ. 6s/52
STUR. GOSHEN & ST. L. 3s/89
MOP 5½s/49

l. h. rothchild & co.
specialists in rails
11 wall street n. y. c.
HAnover 2-9175 Tele. NY 1-1293

AMERICAN MADE MARKETS IN CANADIAN SECURITIES

BROWN
5½s, 1946 - 50 - Pfd.
and when, as, and if issued securities

HART SMITH & CO.
52 WILLIAM ST., N.Y. HAnover 2-0980
Bell Teletype NY 1-395
New York Montreal Toronto

Appointed Manager

It was announced on Oct. 31 that the Board of Directors of the Federal Reserve Bank of New York has appointed Loren B. Allen an officer of the bank with the title of Manager, effective Nov. 1. The Bank states:

> Mr. Allen will serve as Manager of the Credit Department and, for the present, will be particularly concerned with the administration of Regulation "W" having to do with consumer credit. Since joining the staff of the bank in January, 1929, Mr. Allen has been engaged for the most part in the loans and credits function of the bank.

◆

Defaulted RR Bond Index

The defaulted railroad bond index of Pflugfelder, Bampton & Rust, 61 Broadway, New York City, shows the following range for Jan. 1, 1939, to date: High—34 5/6, low—14¾, last—32⅝.

We specialize in Wholesaling to Dealers

Oil Royalties

Send for our new booklet
"PETROLEUM ON PARADE"
It will help you sell Royalties

TELLIER & COMPANY
Members
Eastern Oil Royalty Dealers Ass'n.
42 Broadway New York City
BOwling Green 9-7947 Teletype NY 1-1171

Marion Steam Shovel
Preferred
North American Cement
All Issues
Vinco Corp.
Bought—Sold—Quoted
A. M. Kidder & Co.
Members New York Stock Exchange
and other leading exchanges
1 WALL ST. NEW YORK
Telephone Digby 4-2525

Bank and Insurance Stocks
Inquiries invited in all Unlisted Issues
Laird, Bissell & Meeds
Members New York Stock Exchange
120 BROADWAY, NEW YORK CITY
Telephone: BArclay 7-3500
Bell Teletype—NY 1-1248-49
(L. A. Gibbs, Manager Trading Department)

Bank and Insurance Stocks

This Week — Insurance Stocks

Dealers will find that dividends of insurance stocks offer particular stability and tax advantages to investors at this time of higher taxes and income uncertainties.

First, there is the need for reasonable assurance that dividends will not be reduced and instead might be increased in the times ahead. Reasonable assurance against reduction is derived from "external" and "internal" sources:

"External" sources: At the paying end, although higher taxes, larger inventories and receivables, increased payrolls, etc., have dictated conservative dividend policies since elimnation of the undistributed profits tax, corporations have nevertheless increased dividends moderately, at a pace well afforded by higher earnings.

Thus, for the first half of 1941, 570 listed corporations showed a 24% increase in net profits, after all charges including taxes. For the same period, 838 listed stocks showed an 8% increase in volume of dividend payments. For the year 1940, net income increased 18%, while dividends rose moderately by 13%—yet to their highest point for any of the preceding 9 years, excepting the abnormal 1937 peak, which was affected by the undistributed profits tax.

This low ratio of dividends to earnings shows corporations can well afford current dividend scales. Even should rise in profits, after higher taxes, slow down substantially, this might mean no worse than a horizontal trend in aggregate dividend payments. This stability of rates would be bullish to investment income of insurance companies, because their volume of funds available for investment constantly increases through accumulation of "ploughed back" earnings, and thus tends automatically to increase investment income.

To the extent high grade bonds are held, of course, stability of income is assured. Best's study of 260 companies shows that for the years 1931-1940, relative proportion of stock and bond holdings to assets has remained fairly steady—about 35% bonds and 45% stocks for fire companies; and 50% bonds and 21% stocks for casualty companies. The proportion of Government bonds held, however, has tripled to 20% for fire companies and quadrupled to 32% for casualty companies.

"Internal" sources: Insurance companies in turn limit dividends to a conservative proportion of investment income alone, a sound accounting principle now generally recommended for investing institutions but followed traditionally by insurance companies for many decades of uninterrupted dividends.

The following table shows the relation of operating earnings (unconsolidated) to aggregate dividends of a group of 20 leading fire insurance stocks for the past 5 years:

	Underwriting Gain	Investment Income	Operating Earnings	Annual Dividends	% Dividends to Investment Income	% Dividends to Operat. Earns.
	(000 omitted)					
1940	12,587	26,703	39,291	24,199	91%	62%
1939	13,164	25.660	38.823	23,899	93	62
1938	13,438	23,994	37,432	23,899	99	64
1937	16.453	27.047	43.501	22,939	85	53
1936	13,277	25,773	39,050	23,019	89	59
Total	68,919	129,177	198,097	117,955	91%	60%

With dividends averaging only 60% of operating earnings, all other earnings have been retained in the business, resulting in a 5-year growth in liquidating values of $146,408,000 or 32%, an average annual accretion of 6.4% after payment of dividends. The 168% average of dividends by operating earnings and 110% coverage by investment income alone is strong "internal" assurance of present dividend scales. As funds available for investment increase through "ploughed back" earnings and heavier inflow of premium volume, resulting increase in investment income might justify higher extra dividends.

Secondly, the investor needs protection from rising taxes. Insurance stocks offer it in two ways: (1) By their own high degree of exemption from taxes; (2) by their low proportion of dividends paid to earnings, permitting the investor lower current income under present severe surtaxes and instead, benefit from tax-free large "ploughed back" earnings.

Company tax liability: Insurance companies, like other corporations, are subject to normal tax (24%), surtax (7%), and excess profits tax (35% to 60%). But: On normal tax, insurance companies are allowed to deduct tax-exempt interest on U. S. obligations and credit of 85% of adjusted net income for corporate dividends. In view of the fact that investment income accounts for two-thirds of operating earnings, and that Government securities and stocks total 65% of fire and 53% of casualty company assets, a high degree of exemption from normal tax is apparent.

Surtax, too, is assessed after 85% of net income credit for corporate dividends. And most insurance companies, for excess profits tax purposes, use the average earnings alternative, whereby the company is allowed a return of 95% of average earnings for 1936-1939, plus $5,000. Judging from the above table of earnings, it will be noted this would result in a larger exemption from excess profits taxes than 1940 operating earnings. In addition, of course, a company can always hold down its taxes by taking of capital losses.

Individual tax liability: Most investors with comfortable incomes would reinvest their income from securities anyway. Thus, in view of the new high surtax rates on current income, it is to the investor's advantage to select stocks which pay conservative dividends and "plough back" a high proportion of earnings tax free. The reinvested earnings increase equity and market and produce in turn larger earnings; and the investor may look forward to eventually higher dividends in a period of possibly lower surtax rates.

Insurance stocks classify as "growth stocks," paying out a low ratio of current earnings and reinvesting all the remaining earnings for future growth and enhancement. The conservative proportion of earnings paid out keeps down the individual investor's surtax net income and helps him to keep out of the severely high brackets, especially above $12,000 surtax net income.

MARKETS IN
Central-Penn National Bank
Corn Exchange Nat'l Bk. & Tr. Co.
Girard Trust Co.
Penna. Co. for Ins. on Lives etc.
Philadelphia National Bank
Provident Trust Co.
H. N. NASH & CO.
1421 Chestnut Street, Philadelphia
Phila. Phone Locust 1477
New York Phone HAnover 2-2280
Teletype PH 257

WHISPERINGS

Last week William A. (Traction Securities of Chicago) Spanier arrived in New York to complete a business deal with Norvin (Lancaster & Norvin Greene) Greene. Spanier was just about tying up the loose ends in Norvin's office when somebody interrupted. "Mr. Spanier," he was asked, "is it true that Muggsy Spanier, whose band is playing at the Arcadia Ballroom is your brother?" Bill Spanier looked up with a grin and proudly admitted the relationship. Thereupon, Norvin came into the discussion with an explanation. "Last week," he said, "seven employes of this office celebrated the return of their friend from a long stay in a hospital. They went to the Arcadia and heard your brother's music. And now," he added ruefully, "instead of concentrating on business all they talk abut is 'in the groove'—'send me Jackson' and such stuff. They're no longer securities minded. They've become 'jitterbugs and hepcats'." The Vice-President of Traction Securities of Chicago beamed at this explanation. In any case, whatever the business deal was, it was completed.

Back in 1878 a British general invented the Sam Browne belt, the affair that goes around officer's waists and up one shoulder. Today this belt is still required equipment for American Army officers. But a correspondent to the Infantry Journal takes a poke at it. "It is bulky and unpackable," he writes "It catches on doorknobs and evening gowns and it doesn't even hold up the stomach. Just dents it in." . . How's about a two-way stretch girdle, general?

A man who apparently had imbibed well if not wisely was weaving along the sidewalk in front of the Bankers Trust Building, 14 Wall Street, one afternoon. Every now and then he collided with some passersby, a situation which apparently enraged him. After each collision he glared around and roared, "I can lick anybody here . . . wanna fight?" Apparently nobody did. Finally he was brought up short against a man who didn't notice his condition. "Aha!" yelled the belligerent alcoholic and promptly aimed a fist in his direction. The man realizing what was happening caught the drunk's arm, spun him around and he sat down hard. "Tha's alri'," said the befuddled man getting up from the sidewalk. "I and my frien' here can lick anybody."

One day we were standing in front of 61 Broadway deliberating whether or not to go in and visit with someone when our eye caught a little disturbance around a car parked in front of the building. A decision having been made for us we walked over to see what it was about. There was a chap (who we later learned was a newspaper photographer) disgustedly but futilely twisting the door handle of the car. It developed that in getting out he had locked the door and forgotten his keys which could be observed dangling in the ignition. By this time the crowd were full of suggestions, none of which worked. Suddenly a dignified looking gentleman made his way through the crowd and asked, "what's the matter son? In trouble?" The car owner explained. "Mind if I try?" asked the man. "Go ahead," replied the photographer. The man proceeded to take out a key ring full of keys—50 if there was one—and began fitting them into the lock. After about 20 keys were used he found the right one and the door opened. The photographer being mindful of a story promptly offered to take the man's picture. "No, sorry," smiled the good Samaritan, backing out of the crowd. "Well then, can I have your name?" he was asked. "No," was the answer. "This is just a hobby of mine," and slipping the keys back into his pocket walked into 61 Broadway. We don't know why we mention it except the gentleman was a dead ringer for the senior partner of a prominent Stock Exchange firm with offices in the building.

NATIONAL BANK of EGYPT
Head Office Cairo
Commercial Register No. 1 Cairo
FULLY PAID CAPITAL . . £3,000,000
RESERVE FUND £3,000,000
LONDON AGENCY
6 and 7 King William Street, E. C.
Branches in all the principal Towns in
EGYPT and the SUDAN

NATIONAL BANK of INDIA, LIMITED
Bankers to the Government in Kenya Colony and Uganda
Head Office: 26, Bishopsgate, London, E. C.
Branches in India, Burma, Ceylon, Kenya Colony and Aden and Zanzibar
Subscribed Capital . . . £4,000,000
Paid-Up Capital £2,000,000
Reserve Fund £2,200,000
The Bank conducts every description of banking and exchange business
Trusteeships and Executorships also undertaken

Royal Bank of Scotland
Incorporated by Royal Charter 1727
Over 200 Years of Commercial Banking
HEAD OFFICE—Edinburgh
General Manager
William Whyte
Total number of offices, 258
CHIEF FOREIGN DEPARTMENT
3 Bishopsgate, London, England
Capital (fully paid) £3,780,192
Reserve fund £4,125,965
Deposits £69,921,933
Associateed Bank
Williams Deacon's Bank, Ltd.

Australia and New Zealand
BANK OF NEW SOUTH WALES
(ESTABLISHED 1817)
Paid-Up Capital £8,780,000
Reserve Fund 6,150,000
Reserve Liability of Prop. 8,780,000
£23,710,000
Aggregate Assets 30th Sept., 1940 £143,903,000
SIR ALFRED DAVIDSON, K.B.E., General Manager
Head Office: George Street, SYDNEY
The Bank of New South Wales is the oldest and largest bank in Australasia. With over 870 branches in all States of Australia, in New Zealand, Fiji, Papua and New Guinea, and London, it offers the most complete and efficient banking service to investors, traders and travellers interested in these countries.
LONDON OFFICES:
29 Threadneedle Street, E. C.
47 Berkeley Square, W. 1
Agency arrangements with Banks throughout the U. S. A.

Saul, A.F.-G.L. Wins $500

Mr. William Saul, Albert Frank-Guenther Law advertising agency executive, has won "Time's" $500 circulation sweepstakes by ranking in their correct pulling position all seven of the circulation letters that "Time" tested later to lists of business men."

INSURANCE STOCKS
Mackubin, Legg & Company
Established 1899
Members New York Stock Exchange
BALTIMORE
Telephone—Plaza 9260
Teletype—BA 288
NEW YORK
WHitehall 3-9630
NY 1-563

Fidelity Trust Company
First National Bank at Pittsburgh
Peoples-Pittsburgh Trust Co.
Union Trust Company
Inquiries Invited
A. E. MASTEN & CO.
Est. 1891
PITTSBURGH, PA.
Members N. Y. Stock Exchange

JOTTINGS

(Continued from page 1011)

In the New York milk-marketing shed the dairy farmers are now getting just about 50% more in revenues for their milk than a year ago—partly due to higher fluid milk prices in New York, partly to higher by-product prices, particularly for lease-lend cheese, dried and evaporated milk; and they are now asking substantially more. It's not all gravy for them, though; feed prices are sharply higher and other costs.

There are rumors that John Lewis, in exchange for a closed shop in the captive mines, will sign a freezing agreement on further closed-shop moves. It seems highly implausible.

One informed but probably too sanguine guess about the wire merger talk is this. Congress will pass a bill at this session, following the Senate Commerce Committee recommendations, to permit telegraph mergers. Purely permissive, such a bill would merely lift the present ban on such mergers, and would carry no mandatory feature. Then hearings before the Federal Communications Commission, with Chairman Fly much in favor of merger. No hope, however, of inclusion of ATT's teletype system or Dave Sarnoff's domestic radio communications — nothing, in short, except a Western Union-Postal Telegraph merger, which in effect would amount to Western Union's taking over Postal and burying it. Reason the thing has gone so much further this time than in recent years is that Postal is again on its last legs, has only $1,000,000 of the $5,000,000 it borrowed from Jesse Jones, and Jesse wants his money. Western Union's attitude, naturally, is that Postal should never have been born and anyway why should WU bail it out. Real opposition comes from labor, however, though in recent hearings it was testified that the problem of surplus personnel could be liquidated in about eight years; messenger turnover is round 200% a year, but maintenance and wire operator turnover is virtually nil. Most feasible arrangement would be for WU to exchange stock (rumor has it two for one), but then how would Jesse get his $5,000,000 back?

There just doesn't seem any answer but "never" to the question when the railroads will come out of reorganization. With earnings the best since 1929, two mighty obstacles have now risen. First is the ICC's extinction of stockholders' equities, now facing a two-year legal grind to the Supreme Court with Vanderbilt money backing the Northwestern stockholders' case. Second is the Treasury's ruling, following ICC policy, that reorganized roads must use shrunken "invested capital" figures for their exempt base from excess profits taxes, bringing such poignant results as were last week aired in the case of Missouri Pacific.

And then there's the ICC's firmer attitude on its long-standing wish that the roads use straight-line depreciation instead of retirement accounting for way and structure. Though the roads are likely to get it postponed from Jan. 1 to July 1 it seems ultimately inevitable, as it has been with certain recalcitrant utilities.

Nobody can tell how much more it will cost, because nobody knows how much retirement has been mixed up in maintenance accounts in the past. But certainly it will cost more, and for another thing it will not be variable from year to year, so that the roads will not be able to cushion their earnings fluctuations with fluctuating maintenance charges as in the past.

Anent recently published predictions by economists that we shall soon inflate and go bust, it does not seem safe to assume that a good economist and a good forecaster are one and the same. Dr. Kemmerer, to cite a good economist, has been predicting inflation for years, like most orthodox economists. In May, 1937, for instance, he told the California Bankers' Association that "we are now facing a continuation of a long period of rising commodity prices which is likely to attain increasing momentum during the immediate years ahead." That was the month when economists jumped all over Charlie Dawes for guessing that the existing prosperity couldn't last more than two years beyond 1937. They said he was too bearish.

Incidentally, your Jotter understands that that famous Henderson prediction of the 1937 collapse has never been seen by anybody outside the inner circle. Everybody has heard of it but nobody seems to have seen it.

Speaking of predictions—two standard Washington shockers don't seem to fit each other very well. One is that we are "on the brink of inflation," as Henderson told the Banking & Currency last Summer; the other is that we face ,000,000 of "priority unemployed." How can those two occur at the same time?

UP-TOWN AFTER 3

NEW PLAYS

"Blithe Spirit," Noel Coward's latest farce, presented at the Morosco, by John C. Wilson; with Clifton Webb, Peggy Wood, Leonora Corbett, Mildred Natwick, Phyllis Joyce, Philip Tonge and Jacquiline Clark. Staged by J. C. Wilson; settings by Stewart Chaney.

The 1941 fall season has seen few plays that could last long enough for your reviewer to tell you about. They open in high hopes, stay around a few days and close. This will not be true of **Blithe Spirit.** For in this one Broadway has what is so far the funniest play of the season. It has gayety, sparkle and a fine cast to interpret Noel Coward's grand play. The plot is an ingenious airy little thing reminiscent of Thorne Smith's "Topper." A novelist (Clifton Webb) looking for material for his novel invites a seer (Mildred Natwick) to his home to demonstrate her knowledge of the occult to his guests. The lady medium, a bouncing, hearty feet-on-the-ground-shoulders-to-the-wheel-chin-up-pip-pip bursts in and after downing a couple of Martinis settles down to seance. The result is the ghost of the novelist's first wife (Leonora Corbett), who is invisible to everybody but her ex-husband. The second wife (Peggy Wood) doesn't like the ectoplastic interloper at all, a dislike heartily returned by the ghost of wife No. 1. It wouldn't be fair to tell you any more but rest assured you won't stop laughing for an instant. It's that kind of a play. Put it on top of your list, if you can get tickets.

NEW MOVIE

"Shadow of the Thin Man (MGM), starring William Powell and Myrna Loy; with Barry Nelson, Donna Reed, Sam Levene and others. Directed by Maj. W. S. Van Dyke II.

The title doesn't belie the story. It's just that: A shadow of the original Thin Man, and not a good one at that. It describes the murder of a jockey and a bookie, both of which mysteries William Powell airily solves. Some portions of the film are amusing but too many others are just dull rehashes. Asta, the wire haired pup is back again; there is a new addition to the family—Nicky Junior who is proud of his pop, and Sam Levene of the mobile face, who has yet to give a bad performance, is in there too. But even he can't carry the whole burden.

RESTAURANTS

Cafe Le Arnold (240 Central Park South) is still the same pleasant spot it promised to be when it opened about a year ago though the newness has worn off. It's glass walls, it's indirect lighting effects and it's location, right across from Central Park, makes it a nice place for either lunch or dinner. Incidentally, if you like to see how celebrities look when they eat I suggest dinner here about 8. It's a poor evening that won't find Jules Romain and Maurice Maeterlinck sitting here in different corners, but you'd better hurry, both gentlemen are Hollywood bound.

English Grill (Rockefeller Plaza) is not only the home of English mutton chops, and charcoal grilled roast beef but also has an ice show that goes on continually. In it's strictest sense it isn't a floor show but with the ice rink just outside the plate glass windows you can see some of the finest professionals and amateurs practising. For comedy relief you might even see your reviewer on ice. Another feature of the place is Raymond, the headwaiter. He speaks English like the proverbial Hollywood Frenchman, but it isn't how he says anything but what he says you'll find interesting. He has been a part of the French Navy; he has seen action and if he'll warm up to you he'll answer questions.

AROUND-THE-TOWN

The Cotillion Room (Hotel Pierre—61st & 5th Ave.) The newest and probably the most beautiful room in New York. Patterned on the famous Chicago Pump Room, the place just reeks of elegance. Even the waiters are togged out as if they were to be presented at Court. They wear black silk knee breeches, buckled shoes and red coats. The only thing missing are powdered wigs. For entertainment there is Peggy Fears who is still able to hold an audience, but the entertainment I like best was furnished by Bert Allerton, an ex-salesman turned magician. He goes from table to table demonstrating that the hand is quicker than the eye and doing it with a flair that keeps audiences howling with laughter. Ask him to show you the sponge trick. It will not only puzzle hell out of you but it's Rabelasian implications will help you feel young again. . . . **Spivy's (139 E. 57th)**, a grand place to finish a night. Spivy of course is still the same rotund booming Spivy doing those songs that begin with chuckles and end with howls. Hardly a night passes that some star, movie or stage, doesn't stand up and sing or just tell stories. It's that kind of a let-your-hair-down-kind-of-a-spot-you'll-go-for.

UNION
Trusteed Funds, Inc.

UNION BOND FUND "A"
UNION BOND FUND "B"
UNION BOND FUND "C"
UNION PREFERRED STOCK FUND
UNION COMMON STOCK FUND "A"
UNION COMMON STOCK FUND "B"
UNION FUND SPECIAL

Prospectus covering all classes of stock on request

LORD, ABBETT & CO.
INCORPORATED
63 Wall Street, New York

Investment Trusts

Common stocks have, until recently, made up by far the larger part of mutual investment company portfolios. Bonds were seldom found in a mutual company's list of holdings.

For this reason the trusts have commonly been criticized as being too speculative. However, there is now a growing tendency to adopt a more realistic attitude toward securities generally. Bonds are no longer considered the only conservative investments, and stocks are not thought of as being purely speculative.

An interesting interpretation of the changed attitude was given by SEC Commissioner Sumner T. Pike before a recent session of the New York Joint Legislative Committee for revision of the insurance law to permit life insurance companies to invest in common stocks. Mr. Pike, a former Wall-Streeter, was reported by Massachusetts Distributors' *Brevits* as saying, in part:

"Safety of investment is a relative and not an absolute term, Safety of investment, as we speak of it, really means investment in securities with a minimum risk of capital loss and a maximum assurance of income return. There is no securities investment that is absolutely safe.

"Prudent investment may dictate purchase of the common stock of one company as a safer and more conservative investment than the bonds of another company. Labels are frequently misleading. There are high-grade common stocks which are not far from the conservative investment equivalent of high-grade bonds.

"I subscribe to the proposition that the real security behind investment lies in the continuing earning power of the enterprise, not the liquidation or reorganization value of the property owned by the enterprise.

"On an earnings basis, bonds do not assure better performance than stocks. The paper assurance of security found in the words of a bond is meaningless in the absence of the brute fact of corporate earnings.

"Although bondholders have a prior claim to corporate earnings, this may mean little in a healthy, going enterprise whose earnings are more than sufficient to pay fixed charges and dividends. The truth is, of course, that some common stocks in companies with a well-balanced capital structure are so close to the earnings source that they are, in effect, not far different from bonds in respect of dependability of earnings. Generally speaking, therefore, emphasis upon corporate earnings as a basis for conservative investment seems both sensible and proper."

While the general trend, therefore, has been toward a more realistic appraisal of securities on the basis of individual merit, rather than just by type or class of issue, the practice of considering all investment trust issues as just "investment trusts" has persevered. Actually the types of investment trusts are many and varied. One which invests solely in common stocks may be conservative in its security selection and portfolio management, while another investing solely in bonds may in reality be extremely speculative.

Accordingly, there are investment trust securities to answer nearly every investment need. Each must be considered individually on the basis of its corporate set-up, its portfolio, and its management aims. No investment trust is or should be just another investment trust—it is an investment medium based on a definite philosophy of investment and with a particular investment aim. Its measure of success lies not in its comparison with other investment trusts. but rather depends on how well it has achieved its particular objective.

Investment Company Briefs

Changes in the portfolio of Boston Fund for the months of

(Continued on Page 1016)

FUNDAMENTAL INVESTORS, INC.
PROSPECTUS ON REQUEST
HUGH W. LONG and COMPANY
INCORPORATED
15 EXCHANGE PLACE
JERSEY CITY
634 SO. SPRING ST.
LOS ANGELES

Aviation Group Shares
Bank Group Shares
Insurance Group Shares
Stock & Bond Group Shares
of
INSTITUTIONAL SECURITIES, LTD.
Prospectus may be obtained from
HARE'S LTD.
15 Exchange Place Jersey City, N. J.
19 Rector Street, New York, N. Y.
Pacific Finance Bldg., Los Angeles, Cal.

MANHATTAN BOND FUND
INC.
PROSPECTUS ON REQUEST
Wholesale Distributors
HUGH W. LONG and COMPANY
INCORPORATED
15 EXCHANGE PL.
JERSEY CITY
634 SO. SPRING ST.
LOS ANGELES

Municipal News & Notes

NEW ORLEANS

LOUISIANA
and
MISSISSIPPI
MUNICIPALS

Scharff & Jones
INCORPORATED
Whitney Bldg.
Jackson Miss. NEW ORLEANS Shreveport La.
Bell Teletype—NO 180

Debt trends, long evident in State and city affairs, were emphasized in the elections last week, which saw one of the smallest totals of new issues approved in recent decades. Voters in many and scattered parts of the country made their desire for local government economy plainly manifest in turning down virtually all new debt proposals. This raises anew the problem of financing the social services demanded of their municipalities by voters who, at the same time, turn thumbs down on bond flotations. Some of them proposing public ownership of utilities were emphatically disapproved.

For the eighth time a public power distribution proposal, this time strongly advocated in Washington, D. C., notably by Interior Secretary Harold L. Ickes, was rejected by San Francisco voters. The proposal was to issue $66,500,000 revenue bonds to enable the city to buy the power distribution system from the Pacific Gas & Electric Co.

For the second time, Cincinnati voters turned down a proposal to put their city in the utility business at a cost of $100,000,000 by rejecting a plan to issue that amount of bonds to purchase the electric properties of the Cincinnati Gas & Electric Co. or to build a municipal plant.

The diversion of $60,000,000 previously authorized financing by New York State gained approval at the polls, but cannot be regarded as approval of a fresh commitment. This indebtedness was destined originally for grade crossing elimination, and now is to be used for parkways. Leaving that switch out of account, only $6,290,000 bond issues gained approval at the polls, while projects involving bond issues of $82,037,000 were turned down. Implied in all this is a fresh examination by voters of the functions and limitations of State and local government.

Municipal finance experts long have been familiar with the tendencies thus fortified, and various suggestions have been advanced from time to time to cope with the problem. The widespread application of the pay-as-you-go principle is an obvious but only partial answer. The growing use of the revenue bond is another while a third answer is to be found in the formation of special districts with plenary powers of incurring debt.

Cities Advised To Plan For Priorities Demands

Fire engines can forego some of their shiny brass and other trimmings during the emergency and still do a good job in putting out fires, the American Municipal Association said Tuesday in a "priorities guidebook," which recommended that specifications for fire engines as well as other equipment "be pared down to include only absolutely necessary parts."

The recommendation was one of eight measures whereby municipalities might help cushion the impact the priorities system is likely to produce on city services. Pointing out that the Office of Production Management has established the State and Local Government Requirements Branch to assist in securing priorities on supplies for essential government services, the guidebook said that "certain alleviative measures" could be employed by each local government itself.

The additional recommendations were that cities should:

Check all potential sources of supply before seeking priorities assistance from the OPM, and make periodic checkups to help avoid unexpected delays in delivery.

Maintain stores of supplies sufficient to meet current needs only. Unnecessary expansion of either equipment reserves or supplies "are strictly taboo for the duration."

Schedule deliveries to coincide with actual need, and arrange for longer advance-notice periods in cases of certain supplies.

Use substitutes whenever possible, especially in materials where shortages are particularly acute.

Institute conservation programs by careful scheduling of trips in publicly owned trucks and automobiles, servicing regularly all automotive and mechanical equipment, and putting any idle equipment into use to reduce the load on currently operating machinery.

Designate one official to handle priorities problems for the municipality, preferably an official connected with the city purchasing office if there is one.

Develop intergovernmental arrangements for the exchange of supplies and equipment, especially in metropolitan areas.

The four OPM priorities procedures of primary importance to municipalities are: (1) the individual preference rating certificate, enabling the city to secure prompt delivery on supplies or equipment required to operate essential government services; (2) the general maintenance and repair order, permitting municipal governments to get deliveries of required repair parts merely by endorsing a special statement on the purchase orders certifying their purpose; (3) the utilities maintenance and repaid order covering electric, gas and water utilities, public sanitation and steam heating for public use; and (4) the project rating plan, generally limited to new construction or plant expansion such as a new school or a power dam.

Arkansas Reoffering Successful

One of the high spots of last week's municipal news was the purchase from the RFC by a group of 167 securities dealers headed by Halsey, Stuart & Co., Inc., of $30,000,000 State of Arkansas highway refunding bonds of 1941. Upon public reoffering, these bonds moved out rapidly, indicating that yield-hungry buyers are wide awake.

Original purchase of the $136,330,557 bonds was made by the RFC on better terms for Arkansas than the bankers who then were considering the flotation could name. Mr. Jones arbitrarily lowered the interest charge to the State, bringing down upon his head a storm of financial criticism. The value then set on Arkansas bonds by the Federal Loan Administrator since has been bettered in the open market.

FLORIDA

FLORIDA
MUNICIPAL BONDS

Our long experience in handling Florida issues gives us a comprehensive background of familiarity with these municipal bonds. We will be glad to answer any inquiry regarding them at no obligation.

R.E. CRUMMER & COMPANY
INVESTMENT SECURITIES
1ST NAT BANK BLDG CHICAGO ILLINOIS

In three sales of large blocks and some smaller dispositions, the RFC marketed in the weeks after the acquisition all but the $44,140,000 of the Arkansas bonds now held. Out of that sum, the $30,000,000 sale now is contemplated, which will leave only $14,140,000 in the portfolio of the Federal agency.

Halsey, Stuart & Co., Inc., is reported to hold for its own account about $19,000,000 of bonds previously sold to the house by the Federal agency.

The huge block of $136,350,557 State of Arkansas 3 and 3¼% refunding highway bonds comprises almost the entire debt of the state. The refunding was undertaken early this year under pressure of time and the RFC from the beginning was a participant in the plan, which reduced debt charges sharply. Aid of the federal agency was requested both by Arkansas and the bankers, because of delayed delivery of a sizable part of the original block of bonds.

Success of the project prompted many inquiries as to likelihood of offering being made soon of the $14,000,000 of the bonds held by the RFC or the $19,000,000 held by Halsey, Stuart & Co. Inc., from a previous purchase. It was pointed out, however, that both the Federal agency and the investment house had been committed to a waiting period of at least 70 days before any of the two blocks may be offered.

Municipal Bond Default Question Revived

A subject of considerable heated discussion in the not too distant past, which has been lately pushed into the background by the pressure of more timely topics, the matter of default on principal and/or interest by local units has again cropped up. The medium for this revival of a sore subject was a letter received last week by the "Chronicle" from the William E. Lohrman Co., a stock and bond house located at 76 Beaver Street, New York. We pass along the text of Mr. Lohrman's remarks to our readers for their consideration:

"A thought struck me that you might think it interesting enough to ask questions in future in spots of why this and that issue has defaulted and what is being done about meeting obligations. You will find for your reporters some interesting subjects I am sure. An illustration for present check-up I would say would be Price River (Utah) Water Conservation District 6s an which we have heard very much criticism which is not good for the business and for future similar loans of other Districts in other States. These bonds were put out in the good old days, as they are termed, and defaulted around 1929 and a Protective Committee was formed (of local character I understand—although the bonds were purportedly offered in the East) and this diligent committee later disbanded and if you wanted your bonds back out of Committeeship hands you had to pay the Bank which acted as Depostiary 2%, meaning two points. In other words, they were adding to your loss and woes. And then you were on your own again and try to collect individually. Just try. You'll try hard I am sure and get nowhere fast. Thus the bondholders were left stranded and still are stranded. I wonder why the original issuer is not interested enough to take a hand in working out some sort of a friendly plan, perhaps along the lines of the Florida State Legislature's plan to assist the subdivisions of the State and keep the credit of all."

Florida Bond Bulletin Issued

The November edition of the regular monthly bulletin on Florida bonds, prepared by the Clyde C. Pierce Corp., Barnett Building, Jacksonville, Fla., has just come to hand. In addition to the regular listing of quotations on the bonds of the various cities, counties and related local units, these bulletins now incorporate a statement of receipts from ad valorem, gasoline and other taxes applicable to debt service on roads and bridges issues during the fiscal year ending Sept. 30, 1941. Interested parties may obtain copies of these informative bulletins upon application to the above firm.

Municipal League To Meet

The 47th annual national conference on government of the National Municipal League will be held at the Hotel Chase in St. Louis, Mo., next Monday, Tuesday and Wednesday. Because of the importance of the conference at this time, when many municipal problems are to be threshed out, all are urged to attend, including the general public.

Major Sales Scheduled

We list herewith the more important municipal offerings ($500,000 or over — short term issues excluded), which are to come up in the near future. The names of the successful bidder and the runner-up for the last previous issue sold are also appended.

Nov. 18th

$900,000 Cuyahoga Co., Ohio

The county awarded bonds in September to a syndicate headed by Braun, Bosworth & Co. of Toledo. Second best bid was entered by Otis & Co. of Cleveland.

$544,000 High Point, N. C.

This city awarded bonds in April, 1940, to a syndicate headed by B. J. Van Ingen & Co. of New York. Only other bid was entered by Graham, Parsons & Co. of New York, and associates.

$662,000 Salt River Project, etc., Ariz.

Last January the above district awarded bonds to syndicate headed by Stranahan, Harris & Co., Inc. of Toledo, outbidding Fox, Reusch & Co. of Cincinnati, and associates, among others.

Nov. 20th

$922,000 Jackson, Tenn.

Previous sale took place in Dec. 1938, the bonds going to Smith, Barney & Co. of New York, and Hunter, Jones & Co. of Memphis, jointly. Second highest bid was by Phelps, Fenn & Co. of New York, and associates.

Nov. 24th

$1,500,000 Massachusetts, State of

Last sale took place on Feb. 24, the award going to the Bankers Trust Co. of New York, and associates. Runner-up was a syndicate headed by Halsey, Stuart & Co., Inc., of New York.

Nov. 25th

$3,000,000 Chicago Sanitary Dist., Ill.

This district awarded bonds on Sept. 4 to a syndicate headed by Halsey, Stuart & Co., Inc. of Chicago. The Chase National Bank of New York, and associates, was runner-up in the bidding.

Nov. 26th

$2,700,000 Port of Astoria, Ore. (Astoria)

There has been no recent sale of bonds by the above district.

Dec. 1st

$4,400,000 Cincinnati, Ohio

On Feb. 27, 1940, this city sold an issue to a syndicate headed by the National City Bank of New York, and associates. The First Boston Corporation headed the second best group.

Investment Trusts

(Continued on Page 1015)

September and October were reported in *Brevits* as follows:

Shares	BOUGHT	Now Owned
500	Borg Warner	4,500
1,400	Carrier Corp.	5,000
700	Crane Co.	3,500
*100	Dow Chemical	1,100
1,000	Greyhound Corp.	7,500
8,000	North American Co.	15,000
500	Westinghouse Electric	1,500
	SOLD	
100	St. Joseph Lead	----
2,400	Timken-Detroit	600
300	U. S. Gypsum	----

*Subscription.

High points of National Securities Series and First Mutual Trust Fund, condensed from "Current Information," Nov. 1, 1941:

NATIONAL SECURITIES SERIES	Number Issues in Portfolio	*Recovery to 1937 Highs	†Estimated Annual Rate of Distribution
Bond Series	26	48%	6.3%
Low-Priced Bond Series	23	59%	7.8%
Pref. Stock Series	26	49%	8.1%
Income Series	40	77%	8.8%
Low-Priced Com. Stock Series	34	268%	2.0%
First Mutual Trust Fund	47	69%	‡6.7%

*Recovery possibilities, based upon the fund as a whole returning in 1937 highs. †This is the estimated total net distribution to shareholders for the next four quarterly periods based upon Nov. 1, 1941, portfolios and it includes net income (after expenses) and realized profits of approximately 1% of asset value which profits will be paid when, as, and if available as an offset to expenses in accordance with our distribution policy regardless of any accumulated net realized or unrealized losses which might exist at the time of the distribution. ‡Based upon aggregate of last four quarterly distributions, which include realized profits.

Hugh W. Long, President of Manhattan Bond Fund, reported that variations in the relative percentages of the various issues held in the portfolio constituted the only changes in investments during the month of October. Only 4.19% of the Fund's assets were in cash as of Nov. 1, 1941.

Commenting on the railroad strike situation Mr. Long said:

"The outcome of the railway wage hearings seems likely to have an important near term influence on securites values. Since the conclusions of the Board appointed by the President are due before this communication reaches shareholders, any attempt to forecast its findings would be useless.

"It may properly be pointed out, however, that the heavier traffic generally expected for 1942 should effectively offset a reasonable wage increase and assure continuance of adequate bond interest coverage for the great majority of American railroads."

N. Y. Stock Exchange Weekly Firm Changes

The New York Stock Exchange has announced the following weekly firm changes:

Transfer of the Exchange membership of Abraham Eller, a partner of Salomon Bros. & Hutzler, which will continue as a member firm, to Eugene Greenberger will be considered on Nov. 19th. It is understood that Mr. Greenberger will act as an individual floor broker.

Watts & Lovell, New York City, has discontinued business as a New York Stock Exchange member firm.

Interest on Leon Osterweil, deceased, in Abraham & Co., New York City, ceased as of October 31st, 1941.

Interest of the Estate of Emil Eisemann, substituted limited partner in Alexander Eisemann & Co., New York City, ceased on Nov. 1, 1941.

F. Bliss Winn retired from partnership in Waller C. Hardy & Co., Charleston, West Virginia on Nov. 8th.

The Securities Salesman's Corner

It is our desire to develop this column into a clearing house for ideas. If we could pass along some things that the other fellow is doing which is helping to meet present-day conditions it no doubt would be of some interest to all concerned. In this connection, we would sincerely appreciate your comments or criticisms and any suggestions you might wish to send along.

Low Priced Stocks Can Make Profits For You And For Your Customers

Some firms and their salesmen will not recommend the shares of companies that are in the very low priced group. There are several reasons for this attitude, but undoubtedly one of the main considerations for this reluctance to sell low priced speculations is that there is a fear that a loss of prestige will be the result.

On the contrary, there are dealers who have made offerings of these low priced issues, and when they are properly presented to a selected group of clients and prospects, such offerings have been unusually successful. In addition, the profit possibilities to both the dealer and the customer, when figured upon a percentage of cost basis, are usually more attractive than are many issues selling in the higher priced brackets.

Following are just a few of the exceptional profits that were available among low-priced over-the-counter stocks during the past year or so:

Stock	Approx. Recent Low	Approx. Present Price
Missouri Kan. Pipe Line	4¼	6¼
Wickwire Spencer Steel	6	14
Federal Screw Works	2½	6
United Drill & Tool com.	2½	6
National Tool	2	3½
West Indies Sugar	4	8½
Thompson Aut. Arms	4	53
Chilton Co.	4¼	6¼

Such profits as these, ranging anywhere from a low of 50% to as high as 1350% in the case of the now famous Thompson Automatic Arms, should be enough in itself to convince anyone that low-priced stocks, just because they are low in price should NOT be avoided by the investment dealer and his clients. In fact, price considered by itself, has absolutely nothing at all to do with intrinsic value. It is when price is taken into consideration along with the other factors that make up value that a sound decision regarding the purchase or sale of any security is made. This rule applies equally well, whether the price of the security under consideration is in the highest or the very lowest price brackets.

Once the dealer or the salesman begins to have respect for low-priced stocks, then and then only can he present them to his clients in a dignified manner. Of course, you can call your client on the telephone and give him a half-hearted story that you like "such and such" a cheap little stock, that your firm thinks some money could be made in it, that after all, friend client ought to buy just a couple of hundred shares because he couldn't lose much on it anyway; and believe it or not, this is just about the worst thing any salesman could say who wanted to sell anything. Yet, it is done every day in the week by securities men.

On the other hand, the salesman can make an actual study of a sound company whose stock is selling in the low priced range. He should only try to sell himself after he has found a real buy, and the more convinced he becomes that this is so, the better. Then, when he has the facts, when he can feel reasonably certain of his ground, and when he actually can convince himself that he has an opportunity to offer to his clients—THAT'S THE TIME HE SHOULD APPROACH THEM.

Under these conditions, the procedure is different. Now the salesman telephones his client for an appointment. He builds up the importance of his call (because he now begins to feel that he actually has something of real value to offer). He sits down with his client and he says something like this, "Mr. X., there are times when some of the lowest priced securities offer the greatest possibilities. I know this is just contrary to what the general public usually thinks about low priced stocks. You know how most people are, once they see a stock selling under five dollars, they instinctively say to themselves, 'that dog can't be anything in which I would be interested.' But after all, it is the exception that proves the rule. As a general procedure, you know that my firm tries to be circumspect, but we also will not let any worn out generalization keep us from bringing something to the attention of our clients, just because a lot of people have some fixed ideas. In other words, Mr. X., I've got a real low priced stock to show you today, and the only reason we are bringing it before you is that we honestly believe it has got more of an opportunity for real appreciation behind it than anything we've seen in a long, long while." Now, keep on with your sales talk. You'll have a real one if you know enough about your company and you believe you're right. What kind of sales talk do you think you could have made if you had known what was ahead of Thompson Automatic Arms a year or so ago? Don't you think you could have sold that one to your most conservative clients without any apologies whatsoever? And don't you think they would have liked it? Or how about Wickwire Spencer Steel Common? The writer remembers that it could have been profitably offered by salesmen on Aug. 21st at 6¾—it closed Nov. 7th at 13¼ bid.

Truly, these are exceptional cases, but the thing to remember is that they have actually happened—these situations and many more just like them are not fiction—they are stocks that we trade every day in the week in our "over-the-counter" market.

So, first find your opportunity—be thorough—better take weeks and months for your investigations, and be as certain as is possible that you are right than to jump at any conclusions. Then go after the orders—and don't ask for any odd lots or little dribbles and drabs. Go after the real orders, go after your biggest clients. Ask the smaller buyers for 500 shares even when you know they will only take on a hundred or even less. They will be flattered and you will show your faith in your offering. A thousand shares of a two, three or four dollar stock isn't very much of a commitment for any sizable account—but if you're right, friend customer can make a real profit and your own commission account will not suffer either.

In conclusion, remember, don't sell dogs—they can ruin the confidence of your clients more quickly than anything else. We have been talking about selling attractive, low priced stocks of companies that have a future. There are many of them—if you will take the trouble to pick them out.

Interest exempt from all present Federal and Arkansas State Income Taxation

$30,000,000

State of Arkansas

3¼% and 3% Highway Refunding Bonds of 1941

These Bonds are part of a total of $136,330,557.29 authorized by Act No. 4 of the General Assembly of Arkansas of 1941 to refund the outstanding obligations of the State issued under the refunding program authorized by Act No. 11 of the Second Extraordinary Session of the General Assembly of the State in 1934 and designed to remedy the 1933 default in payment of principal and interest on the State's highway obligations. In the opinion of counsel, they constitute valid obligations of the State for the payment of which, both principal and interest, the full faith and credit of the State and all its resources are irrevocably pledged. Act No. 4 provides among other things that the first $10,250,000 of State Highway Fund revenues in each fiscal year shall be set aside 30% for highway maintenance and 70% exclusively for highway debt service.

Amounts, Maturities and Prices

$20,694,000 3¼% Serial Bonds, due April 1, 1944-69, in varying amounts

To Yield 0.90% to 2.85%

$2,146,000 3% Serial Bonds, due April 1, 1969-72, in varying amounts

Price 103½% to Yield 2.81% to 2.83%

$7,160,000 3¼% Term Bonds, due April 1, 1972

$240,000 Optional each year April 1, 1943-71 and balance ($200,000) due without option April 1, 1972

Optional Bonds to Yield 0.75% to 2.90% to First Optional Dates
or 2.81% (1951) to 3.07% (1943) to Actual Maturity

1972 Maturity to Yield 2.90%

Accrued interest to be added in all cases

These bonds are offered subject to prior sale and change in price and will be accompanied at the time of delivery by the unqualified approving opinion of Messrs. Thomson, Wood and Hoffman of New York City.

HALSEY, STUART & CO. INC.

Dated April 1, 1941. Principal and semi-annual interest (April 1 and October 1) payable in New York City, St. Louis, Missouri or Little Rock, Arkansas at the option of the holder. Coupon bonds in the denomination of $1,000, registerable as to principal only, or as to both principal and interest. The information contained herein has been carefully compiled from sources considered reliable, and, while not guaranteed as to completeness or accuracy, we believe it to be correct as of this date.

November 10, 1941

Govt. Insurance Corp. Increases Surplus

Surplus and reserves of the Federal Savings and Loan Insurance Corporation reached a total of $30,825,743 on Sept. 30, a gain of $1,436,860 in the third quarter of the year, Oscar R. Kreutz, General Manager, reported on Nov. 1. Assets of the Corporation stood at $132,221,706 on that date. Since its establishment by Congress in 1934, with an initial capital of $100,000,000, all operating expenses of the Insurance Corporation have been met out of earnings on its invested reserves, according to the announcement which further said:

> The Federal Savings and Loan Insurance Corporation now insures the investments of some 3,000,000 savers in 2,330 savings and loan associations and similar home-financing institutions. Their average savings account is $816. In the latest 12-month period for which data is available, the amount of savings held by insured institutions increased by 20%. During the 1941 fiscal year, these associations made home loans totaling $800,000,000.

Sept. Sales On Exchanges

The Securities and Exchange Commission on Oct. 29 announced that the market value of total sales on all registered securities exchanges for Sept., 1941, amounted to $618,258,297, an increase of 23.0% over the market value of total sales for August and an increase of 9.0% over the market value of total sales for Sept., 1940. Stock sales, excluding rights and warrants, had a market value of $512,480,923, an increase of 24.3% over August. Bond sales were valued at $105,508,102, an increase of 20.2% over the August value. The market value of right and warrant sales in September totaled $269,272. The SEC further reported:

> The volume of stock sales, excluding rights and warrants, was 24,324,939 shares, an increase of 17.8% over August. Total principal amount of bond sales was $177,028,825, an increase of 10.0% over August.
>
> The two New York exchanges accounted for 93.5 of the market value of total sales, 92.2% of the market value of stock sales, and 99.8% of the market value of bond sales on all registered securities exchanges.
>
> The market value of total sales on all exempted securities exchanges for Sept., 1941, amounted to $409,586, a decrease of 30.3% from August.

President Signs RFC Bill

President Roosevelt signed on Oct. 24 the bill authorizing the Reconstruction Finance Corporation to increase its lending authority by $1,500,000,000. The measure passed the House on Oct. 7 and the Senate on Oct. 13 (see issue of Oct. 23, page 734). It is planned to use approximately two-thirds of this increased borrowing power for expansion of the steel industry while the remainder will probably be used by RFC subsidiaries for expansion of other defense industries and for the purchase of strategic materials.

VALUABLE PAPERS POLICY

The loss of deeds, mortgages, abstracts, books, records, maps, drawings, manuscripts, documents and the like, may impose a serious financial burden on business houses.

A Valuable Papers Policy will indemnify for the cost of reproduction or replacement in the event of loss, destruction or damage. The insurance applies within a stated location, but may be extended to include protection while such papers are being conveyed outside the stated location.

U. S. F. & G.

UNITED STATES FIDELITY AND GUARANTY COMPANY
With which is affiliated
FIDELITY AND GUARANTY FIRE CORPORATION
HOME OFFICES—BALTIMORE, MARYLAND

Cash Customer Can Repossess Securities

(Continued from First Page)

Philadelphia, who sought to reclaim 700 shares of Missouri-Kansas Pipe Line Co. stock.

They contended that Mr. Freeman could not regain the securities, found among the broker's assets, because the certificates were listed in the broker's name.

The Circuit Court decision, which sustains a ruling by United States District Court Judge Guy A. Bard, holds that Congress, in passing the Chandler Act, meant that a cash customer had sole ownership of securities purchased for him by a broker. The fact that the certificates remained in possession of the broker represented only a step in the purchase arrangement, the court said.

Exchange Seat Sold

Two New York Stock Exchange memberships were tranferred on Oct. 30 at $25,000 each. The previous transaction was on Oct. 27 also at $25,000. The only other sale this month was on Oct. 2 at the same price.

THE BOND SELECTOR

Local Housing Authority Bonds

The United States Housing Authority, popularly known as the USHA, was created by the U. S. Housing Act of 1937. The purposes of that Act were to "promote the general welfare of the nation by employing its funds and credit to assist the several States and their political subdivisions to alleviate present and occurring unemployment and to remedy the unsafe and insanitary housing conditions and the acute shortage of decent, safe and sanitary dwellings for families of low income, in rural or urban communities, that are injurious to the health, safety and morals of the nation." To effectuate this policy, the USHA as an instrumentality of the Federal Government, was empowered to enter into contractual relations with local public housing agencies, known as Local Housing Authorities. The contracts between the USHA and the local housing authorities provide for the granting of loans and certain annual payments to the local authorities by the USHA.

The USHA may lend up to a total amount of $800,000,000. Individual loans to each local housing authority must not exceed 90% of the total development or acquisition cost of the low-rent housing project under consideration and must be repaid within a period not exceeding sixty years. Since the USHA may, by the terms of the Act, lend only a maximum of 90% of the project cost, the remaining 10% must be provided by the local housing authority from other sources. This 10% is raised through sale to the public of the local housing authority's own bonds. These are the bonds, always known as Series A, to which attention is directed in this study since they are the issues available for public investment. Series B bonds are sold by the local authorities to the USHA as will be shown later on.

As an example of the method of financing USHA projects, Projects I and II of the New York City Housing Authority are cited. These projects consist of six developments known as Red Hook Houses, Queensbridge Houses, Vladeck Houses, Kingsborough Houses, South Jamaica Houses and East River Houses. To finance the cost of these developments, the New York City Housing Authority authorized the issuance of $46,778,000 of bonds. Of this amount, $8,046,000 were designated Series A bonds and sold to the public through competitive bidding. The balance of $38,732,000 were sold to the USHA. The total amount of bonds authorized in this case was less than the maximum development cost by an amount equal to capital donations to the project.

The contract between the USHA and the local authority is known as the Assistance Contract. Under its provisions, the USHA covenants to make annual contributions to the local authority. The purpose of making these annual contributions to the local housing authorities is to assist them in achieving and maintaining the low rent character of these projects. To this end, all such contributions go toward principal and interest payment of both Series A and B bonds. The Act authorizes the USHA to pay annual contributions for a period not exceeding sixty years.

The amount of money to be paid each year as the annual contribution to the local authority is computed exactly for each project, and cannot exceed an amount equal to the "going Federal rate of interest" plus 1% of the total cost of the project. In turn, the Series B bonds bought by the USHA (and serviced out of annual contributions) bear interest at not less than the "going Federal rate of interest" plus ½% and are to be repaid within 60 years. In effect, then, the annual contribution made to any local authority exceeds the latter's total interest requirements by approximately ½% of the total cost of the project involved. In the case of the New York City Housing Authority's Projects I and II previously referred to, annual contributions accrue at the rate of 3½% for Project I and 3¾% for Project II while the local authority pays interest rates of 3% and 3¼% on the Series B bonds held by the USHA for Projects I and II, respectively.

The important consideration regarding the Series A bonds of local housing authorities in the hands of the public is that they are retired serially in toto before any of the Series B bonds held by the USHA begin to mature. Consequently all Series A bonds mature before any Series B bonds become due.

As a more graphical presentation of the funds available for interest and principal payment of Series A bonds, some figures from the Prospectus of the New York City Housing Authority, First and Second Issues, Series A bonds which were offered in the Fall of 1940 are shown below.

After providing for operating expenses (there are no taxes to be paid), the net revenues derived from operation of these projects are applied in the following order:

First—To the payment of principal and interest ratably on Series A and B bonds to the extent that debt service exceeds the then anticipated annual contributions.

Second—To the creation of a reserve fund, within a specified number of years, for Series A bonds in an amount equivalent to the amount of principal and interest of Series A bonds maturing in the next succeeding calendar year after its creation.

Third—To the payment of the cost of repairs, replacements, etc., for the project.

If a balance exists after fulfilling these requirements, the annual contribution may be reduced by the amount of this balance.

In essence, these bonds are backed by the solemn pledge of the faith of the United States through its guarantee by the Act to make annual contributions. The interest on these bonds is exempt from Federal income taxes and from most State and local income taxes.

PROJECT I—FIRST ISSUE

	At Minimum Development Cost	At Estimated Development Cost	At Maximum Development Cost
	$37,858,000	$39,650,000	$39,825,000
USHA annual contribution	$1,325,030	$1,387,750	$1,393,875
Less: interest on series B bonds	908,760	962,520	967,770
Available for series A bonds	$416,270	$425,230	$426,105

Debt service on series A bonds after 1941:
Maximum, $417,045
Average, $401,403

PROJECT II—SECOND ISSUE

	At Minimum Development Cost	At Estimated Development Cost	At Maximum Development Cost
	$7,200,000	$7,796,000	$7,950,000
USHA annual contribution	$270,000	$292,350	$298,125
Less: interest on series B bonds	185,998	205,368	210,373
Available for series A bonds	$84,002	$86,982	$87,752

Debt service on series A bonds after 1941:
Maximum, $84,245
Average, $79,985

Oppose Proposed SEC Acts Amendments

(Continued from First Page)

of the Securities Acts is what the nation wants, then the distributors are—and the Exchanges are not—the business agency best designed to make the ideal a reality. Exchanges have virtues of course; and the distributors have faults. The distributor, however, performs the essential function, and he ought not to be continually harrassed by the ambitions of the Exchanges to take away his business.

Lt. Col. Edward B. Twombly, counsel for the Committee for Reemployment of Men and Money of the Commerce and Industry Association of New York, remarked that after a year of conferences between the SEC, the Investment Bankers Association the two New York Exchanges, and to a lesser extent, the National Association of Securities Dealers, Inc., the result does not reflect the wishes or needs of business, over-the-counter dealers or the public in general, who were not asked to "sit in."

Through proxy requirements and required reports of officers directors and stockholders—and penalties for stock dealings for officers, directors and stockholders, all companies with over 300 stockholders and over 3,000,000 in total assets are drawn within the powers of the Securities and Exchange Commission. Thus while the Securities and Exchange Commission has gained most in power, offsetting advantages for the big fellow in the Investment Bankers Association and for the Stock Exchanges may be found But what of little industry, the investor, the little underwriter and the over-the-counter dealer?

Col. Twombly stated that the President of the New York Curb Exchange advised the Convention of the National Association of Securities Commissioners at Biloxi, Mississippi on Oct. 8, that they should require listing as a prerequisite to sales of securities within their respective states. His was also the idea to "induce" listing contained in the proposed amendments to the Securities and Exchange Act. The two ideas, if adopted, will destroy the over-the-counter market and with it a host of small dealers.

In his opening address, Frank Dunne, President of the New York Security Dealers Association, and also a member of the Board of Governors of the National Association of Securities Dealers, Inc. declared, "The real purpose of the suggestions made by the Exchanges to equalize the proxy and common control sections of the Securities Exchange Act of 1934 is to increase the volume of trading on the Exchanges, by making practically all over-the-counter issues available for application for unlisted trading And don't let anyone tell you anything to the contrary.

"The suggestions to have these sections apply to corporations with total assets of $3,000,000. and 300 stockholders have been made apparently without consideration of the public interest. Everyone experienced in security markets knows, if such small yardstick is used for application for unlisted trading privileges in issues under Section 12 of the Act, that such issues, almost without exception do not lend themselves to auction trading. It is questionable whether the admission of such securities to Exchange trading will increase the volume on the Exchanges appreciably, but it will definitely result in hurt to the public because of inferior Exchange markets in the issues, and lack of dealer interest necessary to merchandise the securities and maintain their over-the-counter markets now serving the public."

Mr. Dunne paid tribute to the National Association of Securities Dealers, Inc. for the splendid work the Association is doing in regulating and policing the industry throughout the country, and through this procedure he thinks the undesirable element in the business will be eliminated.

MASSACHUSETTS MUTUAL LIFE INSURANCE CO. · SPRINGFIELD · MASS ·
WE SERVE

This is a true story of "Life Insurance in Action" taken from the policy-record files of the Massachusetts Mutual Life Insurance Company

Life Insurance Sees Him Through

Recently a letter was sent to a beneficiary under a Massachusetts Mutual Ordinary Life contract asking him to return the policy because the Company was about to make the final monthly payment due under the terms of the policy. The beneficiary was a young man who had recently received his M.D. degree. His father was accidentally killed some years previously and in his Massachusetts Mutual insurance policies it was provided that part of the proceeds should go for the education of his son.

Up to the time of his death the father paid $756.06 in premiums to the Company. The net proceeds amounted to $6,434.32. The settlement agreement provided that $3,000 of the proceeds should be set up as an educational fund for his son, payable in monthly installments of $110 excluding June, July, and August of each year. All of the proceeds over $3,000 were to go to the widow.

And now the insurance contract had run its course and the father's carefully laid plans had reached fruition. How proud he would have been to see his son graduate! How proud our representative must be that through his initial efforts such a story of life insurance in action can be told!

•

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY

Springfield, Massachusetts

Bertrand J. Perry, President **Organized 1851**

Vollmar Receives Award

Paul J. Vollmar, manager of the real estate and mortgage loan departments of The Western & Southern Life Insurance Co., of Cincinnati, has been selected to receive the 1941 Distinguished Service Award of the Mortgage Bankers Association of America, Frederick P. Champ, President, announced on Nov. 1. The award is given to honor the man in the Association who has done more than any other for mortgage banking during the past year. At the 28th annual convention of the Association in New York in October, Mr. Vollmar planned and conducted a clinic on conventional-type mortgage loans at which more than 20 life insurance executives, bankers and mortgage bankers spoke. Mr. Vollmar was formerly a mortgage banker in Omaha until he joined The Western & Southern in 1931.

Joins Mortgage Bankers

Roy E. Dahlstrom, who has been in the mortgage loan business in Chicago for the past 20 years, has become associated with the Mortgage Bankers Association of America as assistant to the Secretary, George H. Patterson. For the past 15 years Mr. Dahlstrom has been with Cooper, Kanaley & Co. in Chicago. He is a member of the Chicago Real Estate Board and the Illinois Association of Real Estate Appraisers and is a registered real estate broker. He will have charge of statistics and research for the Association and will be active in working with the Association's 33 chapters over the country.

DEVOTION TO DUTY IS A TELEPHONE TRADITION

High morale, devotion to duty, ingenuity in meeting new circumstances and the ability and will to work with each other and with the public are traditional characteristics of telephone employees.

Times like these not only demand these characteristics, they serve to create and extend them.

Now, more than ever, the creed of telephone workers is expressed in these words—"We'll do our best to get your call through."

BELL TELEPHONE SYSTEM

"The Telephone Hour" is broadcast every Monday evening over the N.B.C. Red Network

Commodity Contracts By Blocked Accounts

The Treasury Department Oct. 24 announced the amendment of General License No. 9 issued under the freezing order and relating to the purchase and sale of commodity futures contracts for the accounts of blocked nationals. The amended license permits transactions only for the purpose of covering short positions or liquidating long positions taken prior to Oct. 25, 1941.

Following is the text of the License as amended:

> (1) A general license is hereby granted authorizing the bona fide purchase and sale of commodity futures contracts and of evidences of ownership of actual commodities on an exchange or board of trade within the United States by banking institutions within the United States, for the account of nationals of any blocked country, pursuant to the instructions of such nationals, and necessary transfers or other dealings in evidences of ownership of commodities, transfers of credit and payments between accounts in banking institutions within the United States as required in connection with such purchases or sales or because of fluctuations in the market value of the commodities covered by such contracts or evidences of ownership, provided that:
>
> (a) No such purchase shall be made except for the purpose of covering a short position taken prior to Oct. 25, 1941, in the account of the national for whom the purchase is made;
>
> (b) No such sale shall be made except for the purpose of liquidating a long position taken prior to Oct. 25, 1941, in the account of the national for whom the sale is made; and
>
> (c) In the case of either purchase or sale the net proceeds of the transaction are credited to a blocked account in the name of the national for whose account the transaction was effected and in the banking institution within the United States which maintains the account for which the transaction was effected.
>
> (2) Each banking institution engaging in any transaction herein authorized is required to file promptly with the appropriate Federal Reserve Bank monthly reports showing the details of each such transaction, including a description of the commodity futures contracts or evidences of ownership of actual commodities purchased or sold, the dates of the purchases or sales, the persons for whose account the purchases or sales were made, the price at which each purchase was made, the name of the exchange or board of trade on which each such transaction was effected, and the net market position in the commodity in question of the national for whose account the transaction was effected before such transaction and after such transaction.

Financial District Is At Work For Red Cross

Prominent men of the financial district are working this week for the success of the 25th roll call of New York Chapter of the American Red Cross. General Chairman of the roll call is S. Sloan Colt, President of the Bankers Trust Company, with Leon Fraser, President of the First National Bank, as roll call Vice-Chairman. Irving S. Olds, Board Chairman of the U. S. Steel Corporation, is special gifts chairman.

The New York Chapter seeks to enroll 300,000 members and to raise $700,000 in Manhattan and the Bronx, to carry on local and national Red Cross activities. The roll call is being conducted from Armistice Day to Nov. 30.

Three campaign divisions identified with the financial district are the Banks division, Exchanges division, and Insurance division.

Mrs. Eugene A. Yates is Chairman of the Banks division, with Lewis E. Pierson heading the groups for national banks, trust companies, State banks and private banks. Henry Bruere is Chairman of the Savings Banks group.

The Exchanges division has Mrs. George Emlen Roosevelt as Chairman and Mrs. Sidney Weinberg as Vice-Chairman. The groups Chairmen are: Cotton Exchange, Robert Murray; Investment House, Allan M. Pope; Curb Exchange, Ramon O. Williams, and Stock Exchange, Robert L. Stott.

Mrs. Frederic H. Cruger is Chairman of the Insurance division. Its group Chairmen are: Life Insurance, Frederick H. Ecker; Fire and Casualty, F. J. O'Neill; Insurance Brokers, Floyd R. DuBois; Marine Insurance, William D. Winter; Credit & Loan Agencies, J. E. Mason.

General Chairman Colt, in order to give continuous attention to the campaign, has established a financial district office of the New York Red Cross roll call at 14 Wall Street.

Black-Out Ordered

The Office of Production Management on Oct. 30 ordered an immediate "black-out" of non-essential lighting in seven Southeastern States in view of the defense power shortage. The order, issued by Donald M. Nelson, OPM Priorities irector, also calls for an electric rationing program for Southern industry to become effective Nov. 10 unless heavy rains end the region's water shortage. Under the decree the immediate pooling of power by interconnected systems of 40 publicly and privately owned companies in 13 States is required to bring power to the needed areas. Mr. Nelson said the orders were designed to insure uninterrupted operation of defense plants despite the rapidly mounting demand for energy and a prolonged drought which has reduced the supply of hydro-electric power, according to the Associated Press. In Oct. 30 advices to the New York "Times" from Washington it was stated:

> Curtailment is required by the new regulations in Alabama, Georgia, Tennessee, Eastern Mississippi, Northwest Florida, Southeastern South Carolina, including Charleston, and North Carolina. The 30% cut will apply to every non-exempt consumer who used more than 10,000 kilowatt hours of electricity during the month for which his meter was read between Sept. 15 and Oct. 14, inclusive. In North Carolina, and in most io South Carolina, a curtailment of 5% will be sufficient.

Tomorrow's Markets Walter Whyte Says—

(Continued from page 1011)

point to the rail wage news and blame Central's action on that. Still after all is said and done it showed a weak link in the market chain that had already been strained too much.

* * *

In such cases "reasons" or "excuses" mean little. They merely act as sops for poor judgment.

* * *

Monday the weak Central action began spreading to other portions of the market and levels that I had been watching for months began not only to be approached but in too many cases were giving signs of breaking. These signs were confirmed in yesterday's market (Wednesday) when not only did they break through but did so on increased volume.

* * *

This means that the whole optimistic picture that I painted last week must now be changed. We are now thrown right back into the statement made here on Oct. 16th "if the market got down more than two points under Tuesday's lows (Oct. 7) prices would go lower."

* * *

Yet after all is said and done it's the easiest thing I know of to step out and follow the crowd. However, I have yet to see anybody make any money by drifting along with the current. The general opinion is that the market is headed lower. How much lower no one knows, but the opinion is unanimous that lower prices are in the immediate future. If there is anybody that has a kind word to say for the outlook of prices I don't know who it is. That being the case I shall stick on my unsecure perch and say that despite the present rotten market action the market shows a buildup that indicates strength.

* * *

There is this to be added (and I don't intend to hedge) the current reaction having broken important levels, the market will have to build up another zone from which more than a small rally can begin. But all this pertains to the market as a unit and we are theoretically interested in certain specific stocks. For the record, therefore, let me list them again:

Bendix was bought at 37. Your stop is now 34. On the current break the low was 35¾. N. Y. Shipbuilding was bought at 15. The stop is still 26. During yesterday's decline the low was about 30. Warner Brothers was recommended at 5. The stop was and is 3¾. During the present and all the recent weakness the low was 4⅝.

* * *

Last week I suggested adding two more stocks to your list: U. S. Steel 53, stop at 49; Gulf, Mobile & Ohio Pfd. at 20, stop at 17. The first made a low of 50¾, the second a low of 18¾.

* * *

To get back to what I said above: I may still be alone in thinking this market is headed higher but I don't advise holding any of the above stocks if the levels at which the stops are placed are broken. It would be far more practical to cut what losses you have (and they won't be many because the profits on at least one stock would just about take care of them) and sit back and wait for another day.

* * *

R.J.S. Minneapolis: Sorry cannot undertake personal replies. When I like certain stocks I say so in this column. While I don't disapprove of the securities in your client's list I cannot undertake to advise you as to their merits. It would require personal research, a study of market performance, etc., all of which would take more time than I can give.

* * *

More next Thursday.

—Walter Whyte

[The views expressed in this article do not necessarily at any time coincide with those of the Chronicle. They are presented as those of the author only.]

F. H. PRINCE
BANKERS
PROVIDENCE, RHODE ISLAND

HIGH-GRADE INVESTMENTS

Members
New York, Chicago & Boston Stock Exchanges

Established 1856
H. Hentz & Co.
Members
New York Stock Exchange
New York Curb Exchange
New York Cotton Exchange
Commodity Exchange, Inc.
Chicago Board of Trade
New Orleans Cotton Exchange
And other Exchanges

N. Y. Cotton Exchange Bldg.
NEW YORK

BOSTON CHICAGO DETROIT
PITTSBURGH
GENEVA, SWITZERLAND

LAMBORN & CO.
99 WALL STREET
NEW YORK CITY

SUGAR
Export—Imports—Futures

DIgby 4-2727

Calendar of New Security Flotations

This is under no circumstances to be construed as an offering of these Debentures for sale, or as an offer to buy, or as a solicitation of an offer to buy, any of such Debentures. The offer is made only by means of the Prospectus.

NEW ISSUE

$15,000,000

HIRAM WALKER-GOODERHAM & WORTS LIMITED

AND

HIRAM WALKER & SONS, INC.

Serial Debentures

Due $1,000,000 annually November 1, 1942 to November 1, 1956, inclusive

The several maturities of Serial Debentures bear interest as follows:

1942	.50%	1947	2.00%	1952	3.00%
1943	1.00%	1948	2.25%	1953	3.05%
1944	1.40%	1949	2.50%	1954	3.10%
1945	1.60%	1950	2.75%	1955	3.15%
1946	1.80%	1951	2.875%	1956	3.20%

Price 100% and accrued interest for all maturities

Copies of the Prospectus may be obtained from such of the several underwriters, including the undersigned, as may legally offer these securities in compliance with the securities laws of the respective States.

SMITH, BARNEY & CO.

November 13, 1941.

OFFERINGS

BRIDGEPORT BRASS CO.

Bridgeport Brass Co. registered with SEC 25,486 shares cumulative convertible preferred stock, $100 par; and indeterminate number of shares of no par common stock (including scrip certificates for fractions of shares), such common stock to be reserved for issuance upon conversion of the convertible preferred stock. Dividend rate of the preferred stock will be supplied by amendment.

Address—30 Grand St., Bridgeport, Conn.

Business—Company purchases and processes copper, zinc and other non-ferrous metals and manufactures and markets brass and other non-ferrous metal alloys in various forms.

Offering—The preferred stock will be first offered to holders of company's common stock of record Oct. 24, 1941 (or, in certain circumstances, at a later date on or before Oct. 28, 1941) for subscription on the basis of one share of preferred stock for each 37 shares of common stock held. Subscription price will be supplied by amendment. The subscription offer expires approximately Nov. 5, 1941.

Underwriting—Any shares of preferred stock not subscribed to under above subscription offer, will be purchased by underwriters and sold to public, at price to be supplied by amendment. Names of underwriters, and the percentages of such unsubscribed stock to be purchased by each, are as follows (all of New York, N. Y., unless otherwise indicated):

	% of Unsub. Pfd. Stk. to be Purchased
G. M.-P. Murphy & Co.	21.525
Stone & Webster and Blodget, Inc.	15.695
Union Securities Corp.	12.752
W. E. Hutton & Co.	10.790
Hornblower & Weeks	9.809
Hemphill, Noyes & Co.	7.847
Kidder, Peabody & Co.	5.886
Spencer, Trask & Co.	5.886
Bosworth, Chanute, Loughridge & Co., Denver	3.924
Reynolds & Co.	3.924
Auchinloss, Parker & Redpath, Wash., D. C.	1.962

Proceeds—Proceeds, plus other funds of company, will be applied to payment of outstanding $2,874,000 3% notes of company, requiring $2,917,110.

Registration Statement No. 2-4857. Form A-2. (10-10-41).

Effective 3 P.M., E.S.T. on Oct. 21, 1941.

Amendment—Filed disclosing that preferred stock will bear dividends at the rate of 5½% per annum and that the shares will be first offered to common stockholders of record Oct. 24, 1941, for subscription at $105 per share, at the rate of one share of the preferred stock for each 37 shares of common stock held. Subscription offer will expire on Nov. 5, 1941. Unsubscribed shares will be offered to the public at a price of $105 per share by underwriters, who will receive a commission from the company of $2 per share on all of the 25,486 shares of preferred stock plus an additional $2 per share on all of such shares actually purchased by them

Offered—Nov. 10, 1941, at $105 per share and dividend.

HIRAM WALKER-GOODERHAM & WORTS LTD., and HIRAM WALKER & SONS, INC.

These two companies jointly filed a registration statement with the SEC for $15,000,000 of Serial Debentures, due $1,000,000 each Nov. 1, 1942 to 1956, inclusive. The interest rates will be supplied by amendment. The Debentures are to be the joint and several obligations of the above two companies, and are to be payable in United States currency

Addresses—Hiram Walker-Gooderham & Worts Ltd., Walkerville, Ontario, Canada

Hiram Walker & Sons, Inc., 4450 Penobscot Bldg., Detroit, Mich.

Business—Hiram Walker-Gooderham & Worts, Ltd., is a holding company, owning directly or through subsidiary companies, including the American company, Hiram Walker & Sons, Inc., all or a majority of the voting stock of various companies engaged in business of producing, warehousing, bottling, buying, selling, importing, exporting or otherwise dealing in alcoholic products for beverage and industrial purposes, and the by-products thereof

Underwriting — Smith, Barney & Co., New York, is named as the principal underwriter. Names of the other underwriters will be furnished by amendment.

Offering—The debentures will be offered to the public, at prices to be supplied by amendment

Proceeds will be received by the American company, Hiram Walkers & Sons, Inc., and applied by it as follows: (a) $3,821,940 to the redemption on Dec. 9, 1941, of the outstanding $3,747,000 of Ten-Year 4¼% Convertible Debentures of the two companies, at 102; (b) the balance to the payment of certain bank loans incurred jointly and severally by the two companies from Guaranty Trust Co., New York

Registration Statement No. 2-4872. Form A2. (10-30-41)

Amendment Filed — Hiram Walker-Gooderham & Worts, Ltd., and Hiram Walker & Sons, Inc., filed an amendment with the SEC, disclosing that the $15,000,000 of serial debentures, to be issued as the joint and several obligation of each of the two companies, will be offered to the public at 100. The underwriting commission is 1¾%. The interest rates on the respective maturities will be supplied by later amendment.

The names of the underwriters, and the amount each has agreed to underwrite, are as follows (all of New York, N. Y., unless otherwise noted):

Smith, Barney & Co.	$3,600,000
Blyth & Co., Inc.	975,000
First Boston Corp.	975,000
Harriman Ripley & Co., Inc.	975,000
Mellon Securities Corp., Pitts.	975,000
Kidder, Peabody & Co.	750,000
Lazard Freres & Co.	600,000
Eastman, Dillon & Co.	525,000
Hornblower & Weeks	525,000
Lee Higginson Corp.	525,000
Union Securities Corp.	525,000
Estabrook & Co., Boston	300,000
Harris, Hall & Co., Inc., Chicago	300,000
Janney & Co., Philadelphia	300,000
Merrill Lynch, Pierce, Fenner & Beane	300,000
G. M.-P. Murphy & Co.	300,000
Paine, Webber & Co.	300,000
Spencer Trask & Co.	300,000
Bacon, Whipple & Co., Chicago	225,000
Central Republic Co., Inc., Chic.	225,000
Illinois Co. of Chicago, Chicago	225,000
Stern, Wampler & Co., Inc., Chic.	225,000
G. H. Walker & Co., St. Louis	225,000
The Wisconsin Co., Milwaukee	225,000
Farwell, Chapman & Co., Chic.	150,000
First of Michigan Corp., Detroit	150,000
Knight, Dickinson & Co., Chic.	150,000
Watling, Lerchen & Co., Detroit	150,000

Offered—Nov. 13 at 100.

PACIFIC GAS & ELECTRIC CO.

Pacific Gas & Electric Co. registered with SEC 175,000 shares 5% Cumulative First Preferred Stock, $25 par

Address—245 Market St., San Francisco, Cal.

Business—Company is an operating public utility company engaged, principally, in business of generating, purchasing, distributing and selling electricity and natural gas throughout a large part of northern and central California

Underwriter—Blyth & Co., Inc., San Francisco, Cal.

Offering—The shares will be offered to the public, at a price to be supplied by emendment to registration statement

Proceeds—Will be used to pay at or before maturity company's outstanding First & Refunding Mortgage Series B 6s, due Dec. 1, 1941

Registration Statement No. 2-4861. Form A-2. (10-15-41 San Francisco, Cal.)

Effective—4 p. m., E.S.T., on Nov. 5, 1941

Offered—Nov. 6, 1941, $27 per share and dividend

UNITED STATES SUGAR CORP.

United States Sugar Corp registered with SEC 200,000 shares 6.4% Series A Cumulative Participating Convertible Preferred Stock, $25 par, and 562,500 shares common stock $1 par, latter reserved for issuance upon conversion of the preferred

Address—Clewiston, Fla.

Business—Principal business consists of the culture of sugar-cane in the Everglades of Florida and extraction of raw sugar therefrom in a sugar-house adjacent to Clewiston, Fla. Sugar is presently disposed of under the contract with Savannah Sugar Refining Corp.

Underwriter—None named

Offering—The preferred shares registered are to be offered for subscription to holders of outstanding common stock and $5 preferred stock of company, of record Nov. 10, 1941, or the tenth day after offering of the stock to stockholders, whichever is later, at a price of $25 per share, on following basis: one share new preferred for each 10 shares common, and 4 shares new preferred for each share outstanding $5 preferred stock. Subscription period comprises the ten days following the record date, but company may extend the expiration date to not later than Dec. 15, 1941. Unsubscribed portion of the 200,000 shares preferred stock may be offered at others by company, at $25 per share, in sole discretion of company

If subscriptions do not total 150,000 shares then C. S. Mott and C. R. Bitting have agreed to purchase for investment an amount to bring the total amount sold up to 150,000 shares

Proceeds will be used for plant additions an improvements, purchase of new machinery and equipment, for retirement of outstanding $5 preferred stock, and for working capital

Registration Statement No. 2-4847. Form A2. (9-23-41)

Effective—3:15 P.M., E.S.T., on Oct. 29 as of 4:45 P.M., E.S.T., Oct. 12, 1941

Offered—Oct. 30, 1941

Following is a list of issues whose registration statements were filed less than twenty days ago. These issues are grouped according to the dates on which the registration statements will in normal course become effective, that is twenty days after filing except in the case of the securities of certain foreign public authorities which normally become effective in seven days.

These dates, unless otherwise specified, are as of 4:30 P.M. Eastern Standard Time as per rule 930(b).

Offerings will rarely be made before the day following.

THURSDAY, NOV. 13

CHAMPION PAPER & FIBRE CO.

Champion Paper & Fibre Co. registered with SEC $8,500,000 of first mortgage bonds, due Nov. 1, 1956 (interest rate to be filed by amendment); 40,000 shares $5 cumulative convertible preferred stock, no par; and an indeterminable number of shares of no par common stock, to be reserved for issuance upon conversion of the preferred stock

Address—Hamilton, O.

Business—Largest domestic manufacturer of the types of paper known in the trade as white papers and book papers, and is one of the largest domestic manufacturers of coated papers

Underwriters are W. E. Hutton & Co and Goldman, Sachs & Co., both of New York, N. Y.

Offering—The bonds and preferred stock will be offered to the public, at prices to be supplied by amendment

Proceeds will be used to redeem the outstanding aggregate of $8,660,000 of 4¾% sinking fund debentures ($4,125,000 principal amount due 1950, at 104½; $4,535,000 principal amount of the 1938 Issue at 102¼), requiring $8,947,663. Balance of net proceeds will be added to working capital

Registration Statement No. 2-4867. Form A2. (10-25-41)

Amendment Filed—Company has filed an amendment with the SEC to its registration statement disclosing that the bonds would bear interest at the rate of 3½% per annum. The public offering price of the bonds and the preferred stock will be supplied by later amendment

Also disclosed in the amendment is the names of the underwriters for the bonds and preferred stock, together with the amount of each issue underwritten by each, as follows (all of New York City, unless otherwise indicated):

	Prin. amt. of bonds	No. of shs. of pref. stk.
W. E. Hutton & Co.	$1,700,000	8,000
Goldman, Sachs & Co.	1,700,000	8,000
R. S. Dickson & Co.	127,000	600
Drexel & Co., Phila.	425,000	2,000
Field, Richards & Co., Cincinnati	85,000	400
First Boston Corp.	425,000	2,000
Harriman Ripley Co.	425,000	2,000
Hemphill, Noyes Co.	255,000	1,200
Hornblower & Weeks	340,000	1,600
Johnson, Lane, Space & Co., Savannah	85,000	400
Kidder, Peabody Co.	765,000	3,600
Kuhn, Loeb & Co.	850,000	4,000
W. C. Langley & Co.	340,000	1,600
Lee Higginson Corp.	511,000	2,400
Piper, Jaffray & Hopwood, Minneapolis	127,000	600
White, Weld & Co.	340,000	1,600

SATURDAY, NOV. 15

SEVENTY-NINTH AND RACINE BUILDING CORP.

Lucius Teter, et al, voting trustees of Seventy-Ninth and Racine Building Corp., registered with SEC voting trust certificates for 2,961 shares of common stock, no par

Address—Trustees: 135 S. LaSalle St., Chicago

Business—The corporation owns and operates a commercial building consisting of stores, offices, and apartments, located at the southeast corner of 79th st. and Racine Ave., Chicago, Ill.

Offering—The voting trust certificates are to be issued to holders of corporation's common stock, under a proposal to extend the existing voting trust agreement, which terminates Nov. 23, 1941, to Nov. 23, 1951.

Registration Statement No. 2-4868. Form F1 (10-27-41)

MONDAY, NOV. 17

INVESTORS MUTUAL FUND, INC.

Investors Mutual Fund, Inc., registered with SEC investment certificates representing an equitable interest in the following two classes of Special Stock of company: (I) Investors Diversified Fund: (a) 60 units of $1,200 each of Monthly Payment Certificates without life insurance protection permitting aggregate payments of $720,000; (b) 400 units of $1,200 each of Monthly Payment Certificates with life insurance protection permitting aggregate payments of $480,000; and (c) 2,000 units of $250 each of Full Paid Certificates requiring aggregate payment of $500,000; (II) Investors Corporate Fund: (a) 600 units of $1,200 each of Monthly Payment Certificates without life insurance protection permitting aggregate payments of $720,000; (b) 400 units of $1,200 each of Monthly Payment Certificates with life insurance protection permitting aggregate payments of $480,000; and (c) 2,000 units of $250 each Full Paid Certificates requiring aggregate payments of $500,000.

The number of shares to be issued of the classes of Special Stock designated as Investors Diversified Fund and Investors Corporate Fund, respectively, are indeterminable in advance. However, shares of each class of Special Stock will be issued in such amounts as are necessary to meet the investment requirements of Investors whose Net Payments upon the Certificates covered by this registration statement will be applied to the purchase of such shares of Special Stock from time to time. The Shares will be first issued at $10 each, then at net asset value

Address—1016 Baltimore Ave., Kansas City, Mo.

Business—Investment trust

Underwriters—Investors Fund, Inc.

Proceeds for investment purposes

Registration Statement No. 2-4869. Form A1 (10-29-41)

PANAMA COCA-COLA BOTTLING CO.

Panama Coca-Cola Bottling Co. registered with the SEC 33,750 shares common stock $1 par

Address—19-A Avenue Jose Francisco de la Ossa, Panama, R. de P.

Business—Engaged in business of bottling Coca-Cola and other carbonated beverages and in manufacture of ice-cream and ice; all of which are sold wholesale in the Republic of Panama and in the Canal Zone.

Underwriters—Elder & Co., New York, is the sole underwriter

Offering—The shares will be offered to the public at $12.50 per share; underwriting commission is $2.50 per share

Proceeds—Will be used to increase the company's working capital

Registration Statement No. 2-4870. Form S-2 (New Form) (10-29-41)

ROHR AIRCRAFT CORP.

Rohr Aircraft Corp. registered with the SEC 200,000 shares of capital stock, $1 par value

Address—Chula Vista, Cal.

Business—Manufacture and sale of parts

Calendar of New Security Flotations

for aircraft pursuant to subcontracts with and purchase orders from Consolidated Aircraft Corp. and Lockheed Aircraft Corp.; parts manufactured are in following categories: cowling, power plant assemblies, boom doors and bomb rack adapters

Underwriting—Lester & Co., Los Angeles, Cal., is the sole underwriter

Offering—Of the 200,000 shares registered, 135,000 will be offered for the account of the company and the remaining 65,000 shares (already issued and outstanding) will be offered for the account of the owner thereof, Consolidated Aircraft Corp. Such 200,000 shares will be offered to the public at $4.40 per share; underwriting commission is 88 cents per share

Proceeds to company from sale of the 135,000 shares will be used as follows: $125,000 for contemplated advance payments to sub-contractors; $262,500 to discharge the unpaid portion of Federal income and excess profits taxes for fiscal year ended July 31, 1941; and $73,700 for increase of inventories

Registration Statement No. 2-4871. Form A1 (10-29-41—San Francisco)

THURSDAY, NOV. 20

MARMON-HERRINGTON CO., INC.

Marmon-Herrington Co., Inc., registered with SEC 150,000 shares common stock, $1 par value

Address—1511 W. Washington St., Indianapolis, Ind.

Business—An outgrowth of the truck department of the former Marmon Motor Car Co., company is engaged in the manufacture, assembly, sale of heavy duty trucks, Ford conversion units, tracklaying tractors, military combat vehicles and other special military equipment. Unfilled orders of company totaled $23,712,126 on Oct. 20, 1941, of which a large portion are for track-laying military combat vehicles of various types, the production of which is just getting under way

Underwriting—All of the 150,000 shares registered are already issued and outstanding, and are to be purchased from three selling stockholders by Brown, Schlessman, Owen & Co., Denver, Colo., at $8 per share. Underwriter may form an underwriting group for the stock

Offering—The shares will be offered to the public at a price of $10 per share

Proceeds will be received by the three selling stockholders

Registration Statement No. 2-4873. Form A2. (11-1-41)

SATURDAY, NOV. 22

SAN DIEGO GAS & ELECTRIC CCO.

San Diego Gas & Electric Co. registered with the SEC 246,750 shares of common stock, $10 par value

Address—861 Sixth Ave., San Diego, Cal.

Business—An operating public utility company, supplying electricity and natural gas service in and adjacent to city of San Diego, Cal.

Underwriters—Blyth & Co., Inc.

Offering—The shares will be offered to the public, at a price to be supplied by amendment.

Proceeds will be added to company's treasury funds and will be used for capital additions made and to be made, also possibly for discharge of bank loans

Registration Statement No. 2-4874. Form A2 (11-3-41 San Francisco)

MONDAY, NOV. 24

CAROLINA TELEPHONE & TELEGRAPH CO.

Carolina Telephone & Telegraph Co. registered with SEC 10,625 shares common stock, $100 par, and subscription warrants evidencing rights to subscribe for such 10,625 shares common stock

Address—122 St. James St., Tarboro, N. C.

Business—This operating company is engaged in the telephone business in the eastern part of North Carolina. About 31.67 of its common stock is owned by Southern Bell Telephone & Telegraph Co. (a subsidiary of AT&T)

Underwriters—There is no underwriting involved in connection with this financing

Offering—Common stockholders of record Nov. 26, 1941, are being granted transferable warrants to subscribe at $100 per share for the 10,625 shares of common stock, at the rate of one share for each 4 shares then held. Warrants expire Dec. 29, 1941. Company reserves right to reoffer for sale, at a price in no event less than $100 per share, such of the 10,625 shares of common stock as are not subscribed for by stockholders in the exercise of the warrants

Proceeds to payment of $830,000 of bank loans, balance for plant and equipment additions and betterments, and for working capital

Registration Statement No. 2-4875. Form A2 (11-4-41)

TUESDAY, NOV. 25

SUPERIOR OIL CO.

Superior Oil Co. registered with SEC $15,000,000 3½% debentures, due Nov. 1, 1956

Address—930 Edison Bldg., Los Angeles, Cal.

Business—Engaged in acquisition through purchase, lease, or otherwise, of prospective and proven oil lands; exploration and development of such lands, and the production and sale of crude oil and natural gas. Also, purchases crude oil and natural gas, primarily from the lessors of oil lands leased by it. Company is not engaged in refining or processing crude oil

Underwriters—The principal underwriter is Dillon, Read & Co., New York; others will be named by amendment

Offering—The debentures will be offered to the public, at a price to be supplied by amendment

Proceeds will be used to redeem the outstanding $9,800,000 of company's 3¼% debentures, due April 1, 1950, at 103, requiring $10,094,000; balance of proceeds will be added to company's general funds, to be used for corporate purposes.

Registration Statement No. 2-4876. Form A2. (11-5-41)

UNITED FUNDS, INC.

United Funds, Inc., registered with SEC 300,000 shares of United Income Fund Shares; and $8,000,000 principal amount of Stock Purchase Agreements covering periodic payments toward the purchase of United Accumulative Fund Shares previously registered

Address—1420 Walnut St., Philadelphia, Pa. (executive office); Kansas City, Mo. (home office)

Business—Investment trust.

Underwriter—United Funds Management Corp.

Offering—The 300,000 shares of United Income Funds Shares, will be offered to public at the prevailing market price

Proceeds for investment purposes

Registration Statement No. 2-4877. Form A1. (11-5-41)

WEDNESDAY, NOV. 26

WESTINGHOUSE ELECTRIC & MANUFACTURING CO.

Westinghouse Electric & Manufacturing Co. registered with the SEC $20,000,000 of debentures, due Nov. 1, 1951. The interest rate will be supplied by amendment.

Address—306 Fourth Ave., Pittsburgh, Pa.

Business—Company and subsidiaries engaged in manufacture and sale of machinery, apparatus and applicances for generation, transmission, utilization and control of electricity and in the manufacture and sale of steam turbines and associated equipment

Underwriters—Names of the underwriters, and the amount of the debentures underwritten by each, are as follows:

Kuhn, Loeb & Co.	$2,000,000
A. C. Allyn & Co., Inc.	225,000
Baker, Weeks & Harden	150,000
A. G. Becker & Co., Inc.	350,000
Blair & Co., Inc.	225,000
Blyth & Co., Inc.	700,000
Bonbright & Co., Inc.	500,000
Central Republic Co., Inc.	225,000
Clark, Dodge & Co.	225,000
Dominick & Dominick	350,000
Drexel & Co.	500,000
Eastman, Dillon & Co.	225,000
Estabrook & Co.	225,000
The First Boston Corp.	700,000
Glore, Forgan & Co.	1,000,000
Glover & MacGregor, Inc.	100,000
Goldman, Sachs & Co.	600,000
Grubbs, Scott & Co.	100,000
Hallgarten & Co.	300,000
Harriman Ripley & Co., Inc.	700,000
Hayden, Stone & Co.	225,000
Hemphill, Noyes & Co.	350,000
Hornblower & Weeks	225,000
W. E. Hutton & Co.	500,000
Jackson & Curtis	225,000
Kidder, Peabody & Co.	500,000
Ladenburg, Thalmann & Co.	500,000
Lazard Freres & Co.	500,000
Lee Higginson Corp.	500,000
Lehman Brothers	825,000
A. E. Masten & Co.	100,000
Mellon Securities Corp.	1,200,000
Merrill Lynch, Pierce, Fenner & Beane	350,000
Moore, Leonard & Lynch	150,000
F. S. Moseley & Co.	350,000
Paine, Webber & Co.	225,000
E. H. Rollins & Sons, Inc.	350,000
Schoellkopf, Hutton & Pomeroy, Inc.	200,000
Schroder Rockefeller & Co., Inc.	225,000
Shields & Co.	225,000
Singer, Deane & Scribner	150,000
Smith, Barney & Co.	700,000
Stone & Webster and Blodget, Inc.	425,000
Spencer Trask & Co.	225,000
Union Securities Corp.	600,000
White, Weld & Co.	225,000
Whiting, Weeks & Stubbs, Inc.	200,000
Dean Witter & Co.	350,000

Offering—The debentures will be offered to the public, at a price to be supplied later by amendment to registration statement

Proceeds will be used for payment of outstanding bank loans, for capital additions, improvements and betterments, and for working capital

Registration Statement No. 2-4878. Form A2. (11-6-41)

PACIFIC TELEPHONE & TELEGRAPH CO.

Pacific Telephone & Telegraph Co. registered with the SEC 656,250 shares of common stock, $100 par value.

Address—140 New Montgomery St., San Francisco, Calif.

Business—Company and its subsidiaries provide telephone service in about 650 exchanges in California, Nevada, Oregon, Washington and northern Idaho, including San Francisco, Oakland, Berkeley, Sacramento, Portland, Seattle, Spokane, Tacome, Los Angeles, San Diego and Pasadena. Company is controlled by American Telephone & Telegraph Co.

Underwriters—No underwriters named in registration statement.

Offering—The 656,250 shares common stock will first be offered by company to its stockholders of record Dec. 1, 1941, through warrants at a price of $100 per share. The warrants will expire on Dec. 31, 1941. The unsubscribed portion of such shares will later be offered to the public, at not less than $100 per share. Further details as to the offering will be supplied by amendment.

Proceeds will be used to repay advances from the parent company, and any excess is to be used for plant extensions, additions and improvements, and for working capital.

Registration Statement No. 2-4879. Form A2. (11-6-41-San Francisco)

THURSDAY, NOV. 27

CONSOLIDATED AMUSEMENT CO., LTD.

Consolidaaed Amusement Co., Ltd., registered with SEC 50,000 shares common stock, no par

Address—Honolulu, Hawaii

Business—Engaged in exhibiting motion pictures in theatres owned or operated by it on the Islands of Oahu, Hawaii and Kauai in the Territory of Hawaii and of distributing motion pictures for exhibition purposes to other exhibitors on the Islands of Oahu, Hawaii, Maui, Lanai, Molokai and Kauai in the Territory of Hawaii

Underwriters—None

Offering—The shares will be offered for subscription at $10 per share pro rata to holders of common stock of record Oct. 15, 1941, on a one for three basis, through warrants, exercisable up to and including Dec. 27, 1941. Unsubscribed portion of such 50,000 shares will be sold at public auction in Honolulu. There is no underwriting in connection with this offering. Of the 50,000 shares so offered, 33,813 shares will upon their issuance be subject to the Voting Pool Agreement, as extended to April 15, 1950

Proceeds will be used to redeem, on Dec. 10, 1941, the outstanding 6% Series A cumulative preferred stock of company

Registration Statement No. 2-4880. Form A2. (11-7-41)

Consolidated Amusement Co., Ltd., also filed registration statement with SEC covering voting trust certificates to be issued for a maximum of 33,813 shares of common stock, no par, registered above (2-4880)

Registration Statement No. 2-4881. Form F1 (11-7-41)

1061 ROSEMONT AVE. BUILDING CORP.

Lucius Teter, et al, voting trustees of 1061 Rosemont Ave. Building Corp., registered with SEC voting trust certificates for 5,029 shares common stock, no par, of the corporation

Address—Chicago, Ill.

Business—Corporation owns and operates an apartment hotel building in Chicago, Ill.

Offering—The voting trust certificates are to be issued under a plan to extend the life of the existing voting trust agreement from Dec. 9, 1941, to Dec. 9, 1951

Registration Statement No. 2-4882. Form F1 (11-7-41)

DATES OF OFFERING UNDETERMINED

We present below a list of issues whose registration statements were filed twenty days or more ago, but whose offering dates have not been determined or are unknown to us.

AIR ASSOCIATES, INC.

Air Associates, Inc., registered with SEC 50,000 shares $1.37½ Cumulative Convertible Preferred Stock, no par; and maximum of 100,000 shares $1 par common stock, latter reserved for issuance upon conversion of the preferred.

Address—Bendix Airport, Bendix, N. J.

Business—Company is manufacturer and distributor of airplane parts, equipment, material, supplies and accessories.

Underwriter—White, Weld & Co., New York, is principal underwriter; others to be named by amendment. Underwriting commission is $2.25 per share.

Offering—Preferred stock to be offered to public, at price to be supplied by amendment.

Proceeds—$300,000 to prepay outstanding bank loans; $200,000 for purchase of additional machinery; balance for plant additions and working capital.

Registration Statement No. 2-4851. Form A-2. (9-27-41).

The company has filed an amendment to its registration statement with the Securities and Exchange Commission disclosing that its 50,000 shares of $1.37½ cumulative convertible preferred stock will be offered to the public by the following underwriters:

	Shares
White, Weld & Co.	12,500
Jackson & Curtis	10,000
Merrill, Lynch, Pierce, Fenner & Beane	10,000
Stern, Wampler & Co.	5,000
E. H. Rollins & Sons	4,000
Pacific Co. of California	4,000
Mitchum, Tully & Co.	1,500
Cohu & Torrey	1,000
Fuller, Cruttenden & Co.	1,000
Vietor Common & Co.	1,000

AIRPLANE MANUFACTURING & SUPPLY CORP.

Airplane Manufacturing & Supply Corp. registered with SEC 69,000 shares common stock, $1 par

Address—Lockheed Air Terminal, Burbank, Cal.

Business—Purchase, service and sale of airplane equipment

Underwriters—G. Brashears & Co., Los Angeles, Cal.

Offering—The number of shares to be offered by the underwriter consists of the 69,800 shares currently registered with SEC, and 16,433 shares previously registered with the SEC. Such aggregate of 86,233 shares are already issued and outstanding and are to be offered to public for account of certain selling shareholders to be offered to public at arbitrary prices to be determined by underwriter from time to time with regard to existing circumstances. Such offering price will not exceed 125% not be less than 110% of the highest bid price during the day of sale Underwriting commission on the 86,233 shares of 25 cents per share

Proceeds will accrue to the selling stockholders

Registration Statement No. 2-4807. Form A-1. Filed (7-31-41) (San Francisco)

Effective—3 p.m. E.S.T. Sept. 17 as of 4.45 p.m. Sept. 6, 1941

AMERICAN BAKERIES CO.

American Bakeries Co. registered 15,000 shares Class B no par common stock

Address—No. 520 Ten Pryor St. Bldg. Atlanta, Ga.

Business—Manufacturing and distributing bakery products in souther states

Underwriter—None named

Offering—Stock will be offered to public at price to be filed by amendment

Proceeds—All proceeds will be received by L. A. Cushman, Jr., chairman of board of company, for whose account the stock will be sold

Registration Statement No. 2-4714. Form A-2. (3-28-41)

AUTOMATIC TELEPHONE DIALER, INC

Automatic Telephone Dialer, Inc. registered 75,000 shares of common stock no par

Address—1201 East Grand Street, Elizabeth, N. J.

Business — Development of automatic telephone dialing devices

Underwriter—None. Stock will be sold through registered brokers and dealers

Offering—Public offering price, $3 per share, underwriting commission 75 cents per share

Proceeds—For engineering and development expenses and working capital

Registration Statement No. 2-4752. Form A-1. (5-5-41)

Effective but apparently deficient 4:45 P.M., E.S.T., May 24, 1941

BEACON ASSOCIATES, INC.

Beacon Associates, Inc. registered SEC $500,000 6% Participating Sinking Fund Debentures, due July 1, 1971

Beacon Associates, Inc. interest rate on $500,000 Participating Sinking Fund Series A Debentures, due July 1, 1971, changed from 6% to 6½% per annum, according to amendment filed with SEC July 21 1941

Address—216 Turks Head Bldg., Providence, R. I.

Business—Engaged in the small loan business in Rhode Island and Massachusetts

Offering—The Debentures will be offered to the public at 100 by F. L. Putnam & Co., Inc., Boston; underwriting commission is 15%, leaving net price to company of 85

Underwriter—F. L. Putnam & Co., Inc., Boston

Proceeds—Will be advanced to subsidiary for their working capital or will be used for payment of debt incurred on providing funds for advances to subsidiaries

Registration Statement No. 2-4790. Form A-2. (6-27-41)

Effective—3:00 P.M. E.S.T., August 22 as of July 17, 1941

BEAR MINING AND MILLNG COMPANY

Bear Mining and Milling Co. registered 153,145 shares of common stock, $1 par

Address — 513 Majestic Bldg., Denver, Colo.

Business—Mining and milling

Underwriter—None

Offering—Stock will be offered publicly at $1 per share, selling commission, 35%

Proceeds — For development equipment and operation mining property near Breckenridge, Colo.

Registration Statement No. 2-4571. Form A-1. (11-12-40)

BONWIT TELLER, INC.

Bonwit Teller, Inc. registered 39,334 shares of 5½% cumulative convertible preferred stock, $50 par, and 131,202 shares of common stock, $1 par

Address—721 Fifth Avenue, New York City

Business—Operation of specialty store in New York City

Underwriters—To be filed by amendment

Offering Terms — Preferred and common will be publicly offered at prices to be filed by amendment, except that 106,202 common shares will be reserved for conversion of preferred

Proceeds—Stock will be sold by Atlas Corp. and the American Co., parents, and no proceeds will be received by the company

Registration Statement No. 2-4748. Form A-2. (4-30-41)

BULLION, INC.

Bullion, Inc., registered 110,000 shares of $1 par 8% non-cumulative preferred stock and 110,000 shares of common stock ten cent par

Address—1st Nat'l Bank Bldg., Deadwood, South Dakota

Business—Gold mining

Underwriter—None

Offering—Preferred will be offered at $1 per share, and common at 10 cents per share

Proceeds—For development of mining properties, purchase of machinery and equipment, and working capital

Registration Statement No. 2-4763. Form A-O-1 (5-20-41)

Effective—4:45 P.M., E.S.T. on Sept. 23, 1941 as of 4:45 P.M., E.S.T., Aug. 10, 1941.

COLUMBIA GAS & ELECTRIC CORP.

Columbia Gas & Electric Corp. registered $28,000,000 serial debentures, due 1942 to 1951, and $92,000,000 sinking fund debentures due 1961

Address—61 Broadway, N. Y. C.

Business—Public utility holding company

Offering—Both issues will be publicly offered at prices to filed by amendment

Proceeds—To redeem $50,000,000 Deb 5s, 1952; $4,750,700 Deb. 5s, due April 15, 1952; $50,000,000 Deb. 5s, 1961; to purchase $3,750,000 4% guaranteed serial notes due 1942-46 of Ohio Fuel Gas Co. a subsidiary, and $3,750,000 guaranteed serial notes of United Fuel Gas Co., a subsidiary, from the holders thereof; and to make a $3,402,090 capital contribution to Cinn., Newport & Covington Ry Co. to enable that Company to redeem its outstanding $3,303,000 1st & Ref. 6s, 1947

Registration Statement No. 2-4736. Form A-2. (4-10-41)

COMPOSITE BOND FUND, INC.

Composite Bond Fund, Inc., registered with SEC 32,500 shares $1 par common stock.

Address—601 Riverside Ave., Spokane, Wash.

Business — Open-end investment trust, limited to investments in bonds.

Underwriting—Murphey, Favre & Co., Spokane, Wash., is underwriter and distributor, purchasing said shares at the net asset value then in effect for distribution to public at such net asset value plus 8½%.

Offering—To be offered to the public at the then prevailing market price.

Proceeds—Will be used for investment purposes.

Registration Statement No. 2-4825 Form A-1. (8-28-41)

CROCKER MC ELWAIN CO.

The Voting Trustees of Crocker McElwain Co. registered with the SEC voting trust certificates, to be issued in exchange for a like number of shares of 1,684 shares of 7% preferred stock, $100 par, and 15,000 shares of common stock, $100 par.

The voting trust certificates provide that the voting trust shall continue in effect until Sept. 2, 1944, unless terminated earlier. Unless terminated according to its terms, the voting trust will continue until Sept. 2, 1947.

Voting trustees are Elmer C. Tucker, Ralph H. Morrill, and Joseph K. Holmes.

Address—642 Main St., Holyoke, Mass.

Business—Company is engaged in manufacture and sale of paper, with its mill located in Holyoke, Mass.

Registration Statement No. 2-4858. Form F-1. (10-11-41).

EATON & HOWARD BALANCED FUND

Eaton & Howard Balanced Fund registered with SEC 500,000 Trust Shares

Address—25 Federal St., Boston, Mass.

Business—Investment Trust

Offering—The shares will be offered to the public, at the market

Underwriters—Eaton & Howard, Inc., Boston

Proceeds—For investment

Registration Statement No. 2-4860. Form A2 (10-15-41)

Effective—4 p. m., E.S.T., on Nov. 5, 1941

ELMORE OIL CORP.

Elmore Oil Corp. registered with SEC 14,000 shares common stock, $5 par value

Address — Stevens-Harle Bldg., Durant, Okla.

Business—Engaged in the oil business, buying, selling oil and/or gas leases; owns and operates certain oil and gas leases and equipment in Brown and Jack Counties, Tex.

Underwriters—None

Offering—The shares will be offered to the public direct by company, at $5 per share

Proceeds will be used for drilling of 5 additional wells, the equipping of a certain lease, and for working capital

Registration Statement No. 2-4864. Form A-1. (10-21-41)

FLORIDA POWER & LIGHT CO.

Florida Power & Light Co. registered with SEC $45,000,000 First Mortgage bonds, due Oct. 1, 1971; $10,000,000 Sinking Fund Debentures, due Oct. 1, 1956; and 140,000 shares Cumulative Preferred Stock, $100 Par. Interest rates on the Bonds and Debentures, and the dividend rate on the preferred stock, will be supplied by amendment

Address—25 S. E. Second Ave., Miami, Fla.

Business—This subsidiary of American Power & Light (Electric Bond & Share System) is an operating public utility engaged principally in generating, transmitting, distributing and selling electric energy (also manufacture and sale of gas), serving most of the territory along the east coast of Florida (with exception of the Jacksonville area), and other portions of Florida

Underwriting and Offering—The securities registered are to be sold by company under the competitive bidding Rule U-50 of the SEC's Public Utility Holding Company Act. Names of underwriters and price to public, will be supplied by post-effective amendment to registration statement

Proceeds will be applied as follows: $53,170,000 to redeem at 102¼, the $52,000,000 of company's First Mortgage 5s of 1954; $15,693,370 to redeem at $110 per share, the 142,667 shares of company's $7 preferred stock, no par. Further details to be supplied by post-effective amendment

Registration Statement No. 2-4845. Form A2. (9-17-41)

HOUSTON LIGHTING & POWER CO.

Houston Lighting & Power Co. registered with SEC an indeterminate number of shares of its common stock, no par. (Company has outstanding 500,000 shares of common stock, of which 499,987 shares are held by its parent National Power & Light Co., which latter company also holds options to purchase the remaining 13 shares of outstanding common stock of company).

Address—900 Fannin St., Houston, Tex.

Business—Company is an operating public utility company principally engaged in generating, transmitting, distributing and selling electricity at retail and wholesale, serving 150 communities and an extensive rural area in Texas, including cities of Houston and Galveston.

Underwriter—None.

Offering — No public offering contemplated initially. Company is advised by National Power & Light, that that company has filed with SEC a declaration under the Holding Company Act contemplating, initially, the exchange of common stock of company which National Power & Light owns, for the $6 preferred stock of National Power & Light Co. and also contemplating that if, upon termination of such proposed exchange plan, National Power & Light still holds as much as 5% of common stock of company, it will dispose of such holdings as promptly as shall be practicable in light of then market and other conditions and with the best interests of its security holders in mind. After such disposition, company will have ceased to be either a subsidiary or an affiliate of National Power & Light Co. or Electric Bond & Share Co.

Registration Statement No. 2-4827 Form A-2. (8-29-41)

This is under no circumstances to be construed as an offering of this Capital Stock for sale, or as an offer to buy, or as a solicitation of an offer to buy, any of such Stock. The offer is made only by means of the Prospectus.

NEW ISSUE

160,000 Shares

THE PENNSYLVANIA COMPANY

FOR INSURANCES ON LIVES AND GRANTING ANNUITIES

Capital Stock

Par Value $10 per Share

Price $28 per Share

"when, as and if issued and accepted by the several Underwriters and subject to the approval of counsel, to prior subscription by the Company's shareholders or their assigns, and to withdrawal, cancellation or modification of such offer without notice." The several Underwriters reserve the right, in their discretion, to reject in whole or in part any orders for the purchase of the shares, to make allotments in respect of any orders or any part thereof and to make allotments at any time in respect of any such orders or any part thereof without the same being subject to prior subscription by the Company shareholders or their assigns.

Copies of the Prospectus may be obtained from only such of the undersigned as may legally offer this Stock in compliance with the securities laws of the respective States.

SMITH, BARNEY & CO.

HARRIMAN RIPLEY & CO.
Incorporated

DREXEL & CO.

BLYTH & CO., INC.

THE FIRST BOSTON CORPORATION

MERRILL LYNCH, PIERCE, FENNER & BEANE

KIDDER, PEABODY & CO.

November 7, 1941

ILLINOIS COMMERCIAL TELEPHONE CO

Illinois Commercial Telephone Co. registered with SEC $5,750,000 of first mortgage 3⅜% bonds, due Oct. 1, 1971; and 24,000 shares of $5 cumulative preferred stock no par

Address—607 E. Adams St., Springfield, Ill.

Business—This subsidiary of General Telephone Co. is engaged in providing, without competition, telephone service to 180 communities and surrounding territories in Illinois, including Kewanee, Monmouth, Macomb, Lincoln, Belvidere, Harrisburg, Olney, Mendota and Mt. Carmel

Underwriters, and amount of bonds and preferred stock underwritten by each, follow:

	Amt. of Bonds	No. of Shs. of pfd. stk.
Bonbright & Co., Inc., New York	$2,875,000	12,000
Paine, Webber & Co., New York	2,156,000	9,000
Mitchum, Tully & Co., Los Angeles	719,000	3,000

Offering—Bonds and preferred stock to be offered to the public at a price to be supplied by amendment to the registration statement

Proceeds from sale of the bonds and preferred stock, together with $105,000 received from sale of 7,000 additional shares common stock, will be used in part to retire following securities of company: $5,750,000 First Mortgage Series A 3¾% bonds, due June 1, 1970, at 105½; 17,098 shares $6 preferred stock, at $110 per share; 1,108 shares $6 preferred stock, owned by parent company, at latter's cost Balance of net proceeds will be used to purchase from General Telephone Corp the outstanding capital stocks of Central Illinois Telephone Co. and Illinois Standard Telephone Co., to make additions and betterments to company's plant and property, and for other corporate purposes

Registration Statement No. 2-4866. Form A2. (10-24-41)

KENSINGTON MINES, INC.

Kensington Mines, Inc. has filed a registration statement covering 565,000 shares of $1 par 6 per cent cumulative preferred stock and the same number of shares of 1 cent par common 35,000 shares of $1 par 6 per cent cumulative preferred shares previously sold to promoters at $1 and 1,320,000 shares of 1 cent common previously sold to promoters at 2.65 cents a share

Address—Seattle, Washington

Business—Mining and Milling

Proceeds — For property, construction development and working capital

Underwriters—Kressly and Campbell

Registration Statement No. 2-4697. Form A-1. (3-21-41)

Effective—4:45 P.M., E.S.T., April 9 1941

KIRKLAND GOLD RAND, LTD

Kirkland Gold Rand, Ltd., registered with SEC, under refiling, 500,000 shares common stock $1 par

Address—360 St. James St., West, Montreal, Quebec, Canada

Business—Engaged in development, acquiring, holding, selling and operating gold, silver and other mineral mines Company is still in the development stage

Underwriters—To be named by amendment

Offering—Above shares to be offered to public at $1.25 per share; underwriting commission is 43¾ cents per share

Proceeds—For development, purchase of equipment and working capital

Registration Statement No. 2-4727. Form A-1. Refiled (6-16-41)

LA CROSSE TELEPHONE CORP.

La Crosse Telephone Corp. registered 32,080 shares of common stock, $10 par

Address—La Crosse, Wisconsin

Business—Telephone service to La Crosse Wis.

Underwriter—Alex. Brown & Sons

Offering—All stock registered will be publicly offered at price to be filed by amendment, except that 2,406 shares will be sold to Central Electric & Telephone Co.

Proceeds—Stock registered is owned by parent company, Middle Western Telephone Co., which will donate a portion to La Crosse Telephone Corp. and latter will use proceeds to retire outstanding preferred stock

Registration Statement No. 2-4717. Form A-2. (3-29-41)

McDONNELL AIRCRAFT CORP.

McDonnell Aircraft Corp. registered with SEC 6,453⅙ shares 6% Non-Cumulative Convertible Preferred Stock, $100 par, and 129,063⅓ shares common stock, $1 par

Address — Lambert-St. Louis Municipal Airport, Robertson, Mo.

Business—Engaged in designing and developing aircraft and of manufacturing and selling parts for aircraft; expects presently to engage in business of manufacturing, testing and selling aircraft

Underwriting—None. Securities to be offered by company

Offering—Of the shares registered, the 6,453⅙ shares of preferred and 64,531⅔ shares of common, will be offered to public in units each unit consisting of one share of preferred and 10 shares of common stock, at price of $140 per unit. Remaining 64,531⅔ shares common reserved for issuance on conversion of the preferred

Proceeds for working capital, purchase of tools, machinery and equipment.

Registration Statement No. 2-4844. Form A-1. (9-17-41)

Effective—4:45 P.M., E.S.T., on Oct. 8, 1941 as of 4:45 P.M., E.S.T., Oct 6, 1941.

MOORE-McCORMACK LINES, INC.

Moore-McCormack Lines, Inc. registered 30,000 shares of $5 cumulative convertible preferred stock, $100 par, and 235,000 shares of common, $1 par

Address—5 Broadway, New York City

Business—Operation of vessels in South American trade

Underwriters—E. H. Rollins & Sons Incorporated and Schroder Rockefeller & Co., Inc

Offering—The preferred and 85,000 common shares will be offered publicly at prices to be filed by amendment. 150,000 common shares will be reserved for conversion of the preferred

The proposed offering will represent about 17% of the outstanding common stock of Moore-McCormack Lines and approximately 55% of preferred stock. Albert V. Moore, president, and Emmet J McCormack, vice president and treasurer—officers and directors associated with the company since its incorporation in 1927, retain together about 72% of the common stock, or 36% each. On Dec 31, 1940, they sold to Kuhn, Loeb & Co., Beavan Corp. and Schroder Rockefeller & Co., Inc., 30,000 shares of $5 no par preferred stock and 2,150 shares of no par common which have since been converted into 30,000 shares of $100 par preferred and 107,500 shares of $1 par common. It is understood that Kuhn, Loeb & Co. are retaining 22,500 of such common shares as an investment

Proceeds—None of the proceeds will be received by the company

Registration Statement No. 2-4715. Form A-2 (3-29-41)

MUTUAL TELEPHONE CO.

Mutual Telephone Co. registered with SEC 100,000 shares capital stock, $10 par.

Address—1128 Alakea St., Honolulu, Oahu, Territory of Hawaii.

Business—Company is an independent public utility furnishing telephone service on the Islands of Oahu, Hawaii, Maui, Kauai, and Malokai, Territory of Hawaii, adio telephone service between said Islands and certain ships at sea, and also wireless telegraph service between Oahu, Lanai, Hawaii, Maui and Malokai.

Underwriters—There is no underwriting in connection with this offering.

Offering—Company is offering the 100,000 shares for subscription at $10 per share to its stockholders of record Oct. 15, 1941, by offering one share for each 4 shares then held. Subscription offer expires Dec. 20, 1941. Full shares of such stock, representing fractional interests and also shares called for by warrant to be issued to stockholders, which are not exercised, will be sold at public auction in Honolulu to highest bidder therefor not later than Dec. 27, 1941, and proceeds from the auction sale in excess of $10 per share (after deduction expenses of auction) will be distributed pro rata to stockholders of record Oct. 15, 1941, whose fractional interests are disposed of and to holders of unexercised warrants.

Proceeds to prepay outstanding short term bank loans, additions to plant and equipment, working capital.

Registration Statement No. 2-4855. Form A2. (10-6-41)

Effective—4:45 P.M., E.S.T., on Oct. 17, 1941.

NORTHERN NATURAL GAS CO.

Northern Natural Gas Co. registered 710,500 shares of common stock, $20 par

Address — Aquila Court Bldg., Omaha Nebraska

Business—Production and transmission of natural gas

Underwriter—Blyth & Co., and others to be named by amendment

Offering—Stock will be publicly offered at price to be filed by amendment

Proceeds—All proceeds will be received by selling stockholders, United Light & Railways Co., and North American Light and Power Co.

Registration Statement No. 2-4741. Form A-2. (4-21-41)

Northern Natural Gas Co. filed an amendment to its registration statement of shares of its $20 par value common stock proposed to be offered to the public has been reduced from 710,500 shares to 355,250 shares. According to the amendment, such 355,250 shares are those that are presently owned, and outstanding by North American Light & Power Co. and are to be offered to public for the account of American Light & Power Co

The 355,250 additional shares orginally registered with the SEC on April 21, 1941 for public offering, and withdrawn from registration were subsequently registered and became effective. These shares constituted the stock outstanding and owned by United Light & Railways Co., a subsidiary of United Light & Power Co.

PIERCE BUTLER RADIATOR CORP.

Pierce Butler Radiator Corp. has registered with SEC 120,000 shares 5% cumulative convertible preferred stock, $2.50 par value; and 120,000 shares of $1 par common stock, latter reserved for conversion upon issuance of the preferred

Address—701 Nichols Ave., Syracuse, N. Y.

Business—Engaged in manufacture and sale of heating boilers and radiators, steam neating and high pressure boilers, Unaflow engines, radiator valves, boiler gauges and thermometers

Underwriters—None

Offering—The preferred stock will be offered for subscription to stockholders, at par. Unsubscribed portion will be purchased by Max Kalter, director of company, on behalf of a syndicate which he represents. Subscription price is $2.50 per share

Proceeds will be used for payment of certain outstanding bank loans and notes

Registration Statement No. 2-4865. Form A1. (10-23-41)

PHILADELPHIA ELECTRIC CO.

Philadelphia Electric Co. registered with SEC $20,000,000 of First and Refunding Mortgage 2¾% bonds, due Dec. 1, 1971

Address—1000 Chestnut St., Philadelphia, Pa.

Business—This subsidiary in the United Gas Improvement Co. holding company system, is engaged primarily in production, purchase, transmission, distribution and sale of electricity and gas in southeastern Pennsylvania, including Philadelphia and vicinity

Underwriting and Offering—The bonds will be sold under the competitive bidding rule U-50 of the SEC's Public Utility Holding Company Act of 1935. Names of underwriters, and price to public, will be supplied by later amendment

Proceeds—$20,000,000 of the net proceeds from sale of the bonds will be applied to pay company's presently outstanding $20,000,000 of 1½% promissory notes payable to banks. Remainder of net proceeds will be used to reimburse, in part, company's treasury for additions, extensions, batterments and improvements to its plants and property

Registration Statement No. 2-4863. Form A2. (10-17-41)

Effective—4.45 p. m., E.S.T., on Nov. 7, 1941

Bids will be received by the company at Edison Bldg., 900 Sansom St., Philadelphia, up to 1 p. m., E.S.T., on Nov. 24, 1941

PUEBLO MINING COMPANY

Pueblo Mining Co. registered with SEC 1,500,000 shares 1 Cent Par Value Assessable Common Stock

Address—Spokane, Wash.

Business—Mining

Underwriter—No underwriter named.

Offering—To be offered to public at 2 cents per share

Proceeds—Will be used for development, purchase of equipment, building, and working capital

Registration Statement No. 2-4829. Form AO-1. (9-3-41) (San Francisco)

Effective—4.45 p. m., E.S.T., on Nov. 6, 1941

SOUTHEASTERN INDIANA POWER CO.

Southeastern Indiana Power Co. registered with SEC 2,000 shares 6% cumulative preferred stock, $100 par

Address—Rushville, Ind.

Business—A public utility company engaged in transmitting, distributing and selling electricity in southeastern Indiana

Offering — The preferred stock will be offered to public at a price to be supplied by amendment

Underwriter—Central Republic Co., Inc., Chicago, is sole underwriter

Proceeds—From sale of the 2,000 shares preferred stock, together with aggregate of $1,152,280 to be received by company from sale of other securities ($650,000 4% first mortgage bonds to an insurance company, $350,000 Serial Guaranteed Debentures to a bank and an insurance company, and 12,500 shares $10 par common stock) are to be applied by company to acquire all the outstanding capital stock and funded indebtedness of Hoosier Public Utility Co. and for other corporate purposes

Registration Statement No. 2-4830. Form A-2 (9-6-41)

SOUTHERN ACCEPTANCES, INC.

Southern Acceptances, Inc. registered 150 shares $50 dividend Preferred stock, no par, 20 shares Class A $60 dividend common stock, no par; and 30 shares Class B common stock, no par

Address—26 Wall St., Orlando, Fla.

Business—Discounting installment notes and making small loans

Underwriter—Leedy, Wheeler & Co., Orlando, Fla.

Offering—Preferred and Class A will be publicly offered at $1,000 per share, Class B common at $1,100 per share. Underwriting commission $50 on preferred and Class A, and $55 on Class B

Proceeds—To repay bank loans, and for working capital

Registration Statement No. 2-4570. Form A-2. (11-12-40)

Effective—Dec. 4, 1940

TEXAMERICA OIL CORP.

Texamerica Oil Corp. registered with SEC 119,891 shares common stock, $2 par.

Address — Milam Bldg., San Antonio, Tex.

Business—Engaged in production and marketing of crude oil, acquire mineral leasehold interests in producing or proven oil properties in Texas, drilling of oil wells thereon, acquire royalty interests in proven and developed oil properties.

Underwriter—Willard York Co., San Antonio, Tex., has agreed to purchase 44,750 shares at $1.75 per share and 74,157 shares at $2, from company.

Offering—118,907 shares to be offered to public at $2.375 per share; remaining 984 shares registered constitute shares issued July 1, 1941, by company, as dividends.

Proceeds—Will be used to pay outstanding mortgage indebtedness ($200,000), and remaining $26,626 will be added to working capital

Registration Statement No. 2-4824 Form A-1. (8-27-41)

TRAILER COMPANY OF AMERICA

Trailer Co. of America registered with SEC 4,547 shares 7% cumulative preferred stock, $100 par, and 81,095 shares common stock, no par

Address—31st & Robertson Aves., Cincinnati, O.

Business—Manufacture, assembly, dis- with the SEC, disclosing that the number tribution and sale of commercial trailers and semi-trailers, trailer bodies, parts and equipment, truck bodies and cabs for tractors and trucks

Underwriters—None

Offering—The above shares to be offered by company to all its stockholders at price of $100 per share of 7% preferred and $8 per share for common, through rights, at rate of 2½% shares of 7% preferred and 5 shares of common stock for each share of 7% preferred stock held, and at rate of one share of common stock for each share of common stock held. Subscription rights evidenced by Warrants will expire on the thirtieth day after date of issue. Unsubscribed portion of the shares will be offered for sale, at same prices, to all stockholders. Any unsold shares then may be sold at same prices to general public

Proceeds—For plant extension, retirement certain bank loans, and for working capital

Registration Statement No. 2-4803. Form A-2. (7-29-41) (Cleveland)

Effective—Sept. 13 at 1:15 P.M., E.S.T. as of 4.45 p.m. E.S.T. Sept. 17, 1941

(This List is Incomplete This Week)

BIDS MADE ON BONDS WITH

COUPONS MISSING
OR
MUTILATED

Inquiries Invited

S. H. JUNGER CO.
40 Exchange Pl., New York
Phone DIgby 4-4832 Teletype N. Y. 1-1779

Lower Co. In Merger With O'Melveny House

LOS ANGELES, CALIF.—The personnel of William A. Lower & Co. has become associated with O'Melveny-Wagenseller & Durst, 626 South Spring Street, members of the Los Angeles Stock Exchange, it is announced. Opening of two new branch offices, one in Santa Ana and the other in Long Beach, is also announced.

William A. Lower, who has been actively engaged in the investment banking field in Southern California for the past fifteen years, has become a Vice President of O'Melveny-Wagenseller & Durst with headquarters at the firm's Los Angeles office. Associated with the main office also are Mr. Lynn P. Walker and Mr. Walter S. Weeks, both of whom have had many years' experience in the investment banking field.

Expansion of O'Melveny-Wagenseller & Durst to Long Beach and Santa Ana affords that firm a chain of branch offices encircling Los Angeles, as branches have been maintained for a number of years in Santa Monica, Beverly Hills, Pasadena, San Bernardino, Claremont and Redlands.

The Long Beach office is in the same location formerly maintained by William A. Lower & Co. and is under the management of John M. Woods, associated with him is Neil Harvey. The Santa Ana branch, which also in the former William A. Lower & Co. location, is under the direction of Mr. Ray P. Tarr.

"The addition of the above men to our personnel and our expansion into Long Beach and Santa Ana is a brief testimony of our faith in the future growth and development of Southern California," according to Willis H. Durst, Vice President of O'Melveny-Wagenseller & Durst.

Richard Clarke to Be NYSE Member; Reorganize Firm

Transfer of the New York Stock Exchange membership of Charles S. O'Neil, Jr. to Richard W. Clarke will be considered by the Exchange on Nov. 19th. Mr. Clarke proposes to form the firm of Richard W. Clarke & Co. with offices at 17 East 42nd Street, New York City, in partnership with David L. Terwilleger as general partner and Catherine C. Clarke as limited partner. Mr. Clarke and Mr. Terwilleger have been officers of Richard W. Clarke & Co., Inc., New York.

R. Hoe & Co.
COMMON

Spokane International

American Hair & Felt

•

HAY, FALES & CO.
Members New York Stock Exchange
71 Broadway, N. Y. BOwling Green 9-7030
Bell Teletype NY 1-61

REMEMBER . . .

WITH *no retail sales department of our own, but confining our business entirely to actual trading markets*

WE *are not competitors of, but collaborators with, all retail distributing dealers, in*

OVER-THE-COUNTER SECURITIES

Kobbé, Gearhart & Company
INCORPORATED
Members New York Security Dealers Association
45 NASSAU STREET, NEW YORK
TELEPHONE RECTOR 2-3600 PHILADELPHIA TELEPHONE ENTERPRISE 6015 BELL TELETYPE NEW YORK 1-576
HARTFORD TELEPHONE ENTERPRISE 6425 BOSTON TELEPHONE ENTERPRISE 1250

Our Reporter On "Governments"

Will there be another cash borrowing by the Treasury this month? . . . Or will Secretary Morgenthau hold off until December, follow through on his recent statement that financings will be every other month, permit the market's present receptivity to continue "unused" for a while, at least? . . .

There are the two important questions in the Government mart today. . . . Important because the professional traders are concentrating on them, arranging their own portfolios according to their decisions. . . . And important because it is in new issues that the profit for banks and individual investors lies. . . . It is in new issues that insurance companies are centering their efforts these days. . . .

It is folly to attempt to judge to the day the timing of the next financing. . . . At earliest, late November would be the date. . . . More likely, say the majority of experts, the deal will come in early December, at the same time that Morgenthau refunds the $426,000,000 1¾s of March 15, 1942. . . . But a week's difference is a minor point. . . . What is significant is the fact that a pattern for financing the defense program is developing and developing fast. . . . And that pattern is of vital import to all investors—whether they are individuals, whether they represent insurance companies, commercial banks or savings institutions. . . .

The Four Parts

As informed sources see it, the Treasury is now intent on dividing its gigantic financing program into four distinct parts:

(1) Sales of defense bonds. This is the "individual" approach. Morgenthau expects to intensify the defense bond drive later this year and through 1942, until sales approximate $3,500,000,000 or more a year. . . .

(2) Sales of tax-anticipation notes to corporations and individuals. . . . This is not real financing, of course, for the money obtained in this way would come in anyway at a later date. . . . But it does help place the revenue-raising program of the Treasury on a more "even" basis over the year. . . .

(3) Sales of long-term bonds—bonds bearing 35 and 40-year maturities and perhaps even longer due dates—to insurance companies, individuals investors of large funds, estates, trust funds, fiduciary institutions, etc. . . . This is an important forward step in public finance in the United States. . . . The last sale of 2½s represented the first time the Treasury actually keyed in the open market a deal to a certain type of investor (outside of commercial banks) and succeeded in distributing its securities to a variety of buyers. . . .

(4) Sales of short-term bonds, notes and Treasury bills to commercial banks and savings institutions. . . . The short maturities here will meet the demand of banks for readily saleable securities. . . . They will be in line with accepted bank policy, keep the banks within the confines of official regulation. . . . And it is expected that commercial banks will become less important rather than more important sources of funds for the Government. . . .

There's nothing visionary about this pattern. . . . It's developing at this minute. . . . It has the blessing not only of Washington authorities but of many private financiers. . . . It is based on logic and the authorities' desire to prevent inflationary moves from arising out of uncontrolled monetary factors. . . .

Study this pattern. . . . See where you come in. . . . Then rearrange, work out your portfolio on the basis of what you may expect to receive in the way of new issues over the coming months. . . .

The Next Deal

One story is that the next deal will be aimed at commercial banks—the issue, in other words, will be short-dated and in the note or intermediate-bond classification. . . . Insurance companies had their inning last time. . . Commercial banks are next on the list. . . .

Life insurance companies today hold about $7,000,000,000 of U. S. Government obligations — counting what they bought on the last deal. . . . (Best estimate here is that the Nation's insurance concern's bought a quarter-billion dollars' worth of the 2½, a tremendous amount). . . .

Insurance company holdings amount to around 12% of the total debt of the country, as compared with commercial bank holdings of about 37% ($20,000,000,000); mutual savings bank holdings of about 6% ($3,400,000,000); general public holdings of about 26% ($14,000,000,000). . . .

Obviously, the commercial banks are the largest single owners of Government obligations in the Nation and during a period of rising prices, continued heavy purchases by commercial banks are dangerous. . . . On this basis alone, Morgenthau's plan to distribute the debt more widely, to emphasize insurance company savings bank and individual purchases rather than commercial bank purchases may be justified. . . .

Regulation

The prevention of commercial bank purchases of Government issues on the financing dates is a problem which hasn't been considered generally. . . . But this will be an important angle—make no mistake about that. . . .

How will commercial banks be kept out of deals aimed for other portfolios? . . . Perhaps by the maturity choices. . . . or instance bonds due in 2000 or in 1980 might solve the problem neatly for insurance companies have no hesitancy in buying maturities of this kind—but commercial banks have. . . .

The issuance of "consols," such as England sells, might do the trick too. . . . This is unlikely though. . . . Consols never have been popular here, for the American public simply doesn't like issues without a due date and education of the investing public now might be a dangerously slow task. . . .

Sale of open-end issues is another alternative. . . . Also considered unlikely for the time being, at any rate. . . .

The imposition of regulations on bank subscriptions, however, is a possibility that deserves consideration. . . . Especially since former New York Reserve Bank President George Harrison appears in favor of this move. . . . Bank subscriptions on certain issues might be limited by rule in the issue circular. . . . The word might be passed around "privately" that subscriptions above a certain percentage will be frowned upon. . . . The job might be handled more gracefully at first by cutting of allotments on large subscriptions. . . .

The pattern is there. . . . Regulations seems a part of it. . . . Again, if you wish a certain type of issue, swing into that classification by yourself. . . . New issues will be as profitable as ever in the future, but the bonds you want may not be obtained with as little trouble. . . .

Inside The Market

Market took the reserve requirement boost with a minimum of interest. . . . No surprise, no attention. . . . Despite large drop in reserves at New York City banks, no difficulty is anticipated. . . .

Reaction to lower reserves may show up in commercial loan figures as much as or more than in Government bond holding statistics. . . .

Insurance companies have been buying bonds in the open market since the sale of the 2½s. . . . Two major companies have been outstanding purchasers of long-terms, according to reports. . . . More than 25% of insurance company purchases so far this year have been in the Government market. . . .

"Right" situation still disturbing dealers, but faith in Treasury's handling of "rights" is returning. . . . Feeling is any elimination of "rights" will be gradual and large program of refinancing in 1943 militates against unsettling action by Treasury. . . .

Confidence also returning in Government's complete ability to do what it wishes with short and long-term interest rates. . . . Not only a question of domestic policy but fact that record low money is a world-wide phenomenon. . . . And if "goldless, poverty-stricken" nations can hold down interest rates, why the United States can. . . .

United Stockyards Corp.
Reliance Steel Corp.
Mid-Continent Airlines, Inc.
Securities Acceptance Corp.
Koehring Company
Poor & Co.
Ray-O-Vac Co.
Duncan Electric Co.

FULLER, CRUTTENDEN & COMPANY
Members Chicago Stock Exchange
120 South La Salle St., Chicago • Telephone Dea 0500 • Teletype CG-35

Federal Water Service
All Issues
American Airlines, Pfd.
Browne & Sharpe Mfg. Co.
Merrimac Mfg. Co.
United Cigar-Whelan
Evans Wallower Zinc
Mexican Internal & Ext'l Bonds

M. S. WIEN & CO.
Members N. Y. Security Dealers Ass'n
25 Broad St., N.Y. HAnover 2-8780
Teletype N. Y. 1-1397

Results Of Treasury Bill Offering

Secretary of the Treasury Morgenthau announced on Nov. 7 that the tenders for $150,000,000, or thereabouts, of 91-day Treasury bills, to be dated Nov. 12 and to mature Feb. 11, 1942, which were offered on Nov. 5, were opened at the Federal Reserve Banks on Nov. 7. The following details of this issue are revealed:

Total applied for___$313,335,000
Total accepted _____ 150,018,000
Range for accepted bids:
High—99.980. Equivalent rate approximately 0.079%.
Low—99.938. Equivalent rate approximately 0.245%.
Average Price—99.950. Equivalent rate approximately 0.200%.
(71% of the amount bid for at the low prices was accepted.)

There was a maturity of a similar issue of bills on Nov. 12 in amount of $100,118,000.

Gilholm With Rollins

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—Robert E. Gilholm has become associated with E. H. Rollins & Sons Incorporated, California Bank Building. Mr. Gilholm was formerly sales manager for Morrison Bond Co., Ltd., and prior thereto was with Banks, Huntley & Co. In the past he operated his own firm in Long Beach, Calif.

N. Y. Stock Exchange Seat Sale

Arrangements were made on Nov. 10 for the transfer of a New York Stock Exchange membership at $22,000. The previous transaction was at $25,000, on Oct. 30.

Final Edition THURSDAY In 2 Sections – Section 2

The COMMERCIAL & FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 154 Number 4006 New York, N. Y., Thursday, November 13, 1941 Price 60 Cents a Copy

President at World Labor Conference Calls On Capital And Labor For Sacrifices

President Roosevelt declared on Nov. 6 that "the American people have made an unlimited commitment that there shall be a free world" and "against that commitment no individual or group shall prevail." Addressing the delegates to the final session of the Conference of the International Labor Organization, representing 33 nations, in the East Room of the White House, the President referred to the "misguided few—both industrialists and labor leaders—who place personal advantage above the welfare of their nation" and who put "their little victories over one another above triumph over Hitler."

Saying that Americans have not yet made any substantial sacrifices, the President warned that the United States and the whole Western Hemisphere have their places marked "in the Nazi scheme for world domination" and said that "the choice we have to make is this: Shall we make our full sacrifices now, produce to the limit, deliver our products today and every day to the battlefields of the entire world? Or, shall we remain satisfied with our present rate of armament output, postponing the day of real sacrifice—as did the French—until it is too late?"

With regard to these two choices the President pointed out:

> The first is the choice of realism—realism in terms of three shifts a day; the fullest use of every vital machine every minute of every day and every night; realism in terms of staying on the job and getting things made, and entrusting industrial grievances to the established machinery of collective bargaining—the machinery set up by a free people.
>
> The second choice is the approach of the blind and the deluded who think that perhaps we could do business with Hitler. For them there is still "plenty of time." To be sure, many of these misled individuals honestly believe that we should later find that we can't do business with Hitler, we will roll up our sleeves later—later—later. And their tombstones would bear the legend "too late."

"In the process of working and fighting for victory," said the President, "we must never permit ourselves to forget the goal which is beyond victory," and he added that if the post-war world "is to be one in which peace is to prevail, there must be a more abundant life for the masses of the people of all countries," declaring that there must be no place "for special privileges for either individuals or nations." The President went on to say:

> Again, in the words of the Atlantic Charter: "All states, great or small, victor or vanquished," must have "access, on equal terms, to the trade and to the raw materials of the world which are needed for their economic prosperity."

As may be recalled, it was the "Atlantic Charter" which he and Prime Minister Churchill of Great Britain formulated last August in their historic meeting at sea.

In mentioning sacrifices made the President singled out the people of Britain, China and Russia but called the struggle of the common men and women of Europe, from Norway to Greece, against a brutal force "the most heroic of all." He added that "as far as we in the United States are concerned, that struggle shall not be in vain."

Declaring that "labor under the Nazi system has become the slave of the military staff" and that "Berlin is the principal slave market of the world," Mr. Roosevelt said the American worker has "no

Continued on page 1036)

GENERAL CONTENTS

Editorials

Page
Securities Act Changes 1026
The Railroad Trainmen's Threat Against Public Safety 1026

Regular Features

Moody's Bond Prices and Yields 1031
On the Foreign Front 1032

State of Trade

Weekly Review 1029
Coal and Coke Output 1030
Commodity Prices—Domestic Indexes 1029, 1035
Commodity Prices—World Index 1029
Iron and Steel Operations—Weekly Review 1032
Paperboard Statistics 1034
Petroleum and Its Products 1028
Railroad Car Loadings 1033
September Dept. Store Sales 1029
October Steel Production 1035
October Engineering Construction 1031
October Steel Shipments 1035
Reserve Banks' Reports on Business 1037
Moody's Commodity Index 1027
Weekly Lumber Movement 1040

Miscellaneous

Bank Debits 1029
Trading on N. Y. Exchanges 1030
NYSE Odd Lot Trading 1029
Third Quar. Security Registrations 1034
Cotton Ginnings Through Nov. 1 1034
IBA, Other on Securities Acts Changes 1038
$1,000,000,000 Credit to Russia 1038
Air Associates Plant Seized 1039
Installment Credit Regulations Amended 1039
Germany Will Not Consider Robin Moor Compensation 1039
James Speyer Dead 1040
Penalized for Priority Violation 1039
Tightens Control of Cotton Linters 1039
Manager Ind. Bureau 1040
Dutch Bond Payment 1040
Cotton Insulation 1040
War and Marine Insurance 1040
Curb Seat Retirements 1038

FROM WASHINGTON AHEAD OF THE NEWS

The repeated efforts of Washington officialdom to make the country war conscious, if they were not so downright tragic, are humorous. It has just come to light that the Navy debated for days whether it should not bring back the bodies of the men killed on the destroyer Kearny to Washington and give them a state funeral in the National Cemetery at Arlington. There are more than 500 Washington newspapermen and the great majority of them were just itching to cover such a story and after the Kearny incident, many of them assumed there would be the state funeral pageantry and began collecting adjectives to describe it. It is no secret to say that many of them dug up the stories on the Unknown Soldier of the First World War written by Kirk L. Simpson of the Associated Press.

Then, after days had passed and the Navy had made no move to return the bodies to this country, inquiries were made. And it was learned that instead of making a pageantry out of the deaths of these boys, the Navy's propagandists or sounders of public opinion, had concluded that the less said about them the better it would be. The reaction, according to these soundings, was one of resentment that the boys should have been sent into battle, instead of an emotional surge of patriotism. The belligerent Secretary Know was baffled, and frankly this writer is, too. He can't recall a more stirring episode in all his life than the time when the casualties of our Vera Cruz occupation were paraded up Broadway and his overwhelming urge was to get at the throat of the then Mexican President, Huerta.

The Navy high moguls, utterly disgusted, are now saying that they suppose the only way to wake the American people up is for a capital ship to be sunk with the loss of 1,000 or more lives.

This writer does not know whether the soundings of public opinion by the Navy publicists were correct or not. It was surprising to the majority of the Washington newspapermen, however, that the Kearny losses were not more capitalized. Significant, too, is the fact that the sinking of the destroyer Reuben James came right at the height of the neutrality debate in the Senate, and so far as can be ascertained, not a single vote was changed. The matter came in for little or no discussion, as a matter of fact.

It is perhaps the most unusual situation that ever confronted this country. And it is a dangerous one in this respect: The people of the country as reflected through their members of Congress are apparently apathetic about our Navy being at war, about the loss of sailors, so long as we don't "shed a drop of blood on foreign soil." They are willing, if Congress can be taken as reflecting their will, to spend billions and billions — to give away

(Continued on page 1026)

THE FINANCIAL SITUATION

For a long while past it has been repeatedly asserted by professional observers in Washington that one of the greatest annoyances and one of the leading anxieties of Administration leaders was the circumstance, as they viewed it, that the rank and file of the American people continued so unaware of or so indifferent to many of the plain implications of the war effort—we say war effort quite advisedly—that this country has so blithely undertaken. It has always been plain to all thoughtful people, as it must from the first have been to the Administration, or at least those members of it who were not too much engrossed in day dreaming, that no nation could conceivably accomplish what was being laid out for the American people without the broadest and deepest repercussions throughout the lives of every man, woman and child in the land. Yet the Administration found itself faced with but little opposition in developing plans of armament and aid to "democracies" requiring the appropriation of sums which almost defy the imagination or in the formulation and initiation of programs which could hope for success only if heavy sacrifices were made by all—it found no opposition worthy of much attention to any of these things unless and until they actually began or immediately threatened to entail general sacrifices or inconveniences, and when that happened opposition aplenty has regularly made its presence easily discernible.

It is indeed a remarkable situation, probably explicable only in light of the general course of New Deal philosophy and activity in the half decade or more preceding the commencement of the armament program and of the want of forthrightness in presenting the issues involved in that program. It has, however, been quite evident from the first, and a more prudent, forward-looking Administration would without doubt have hesitated to proceed in so grandiose and reckless a manner in the face of it, leaving the matter of caring for the chickens when they came home to roost until such time as they arrived. This particular Administration in the event did, however, proceed in this way, and it now has its returning chickens upon its hands—and they present a problem which will not prove easy of solution.

But be all this as it may, the question which keeps recurring in the minds of thoughtful citizens throughout the land concerns not merely whether the rank and file of the people, but also and poignantly whether the Administration itself has any adequate understanding of these things, or if it has whether it will ever develop the hardihood to deal with them forthrightly and vigorously. A blind people are indeed in a hopeless situation when led by the blind, or by those who act as if they were. A number of observers have within the past few days found considerable encouragement in the action of the Navy Department when confronted with a "wild-cat" strike of building trades unions in the San Diego area on the Pacific Coast. A sharp surprise, and a heartening one so far as it goes, has now been provided by the action of the National Defense Mediation Board. In both instances, of course, the Administration was and is far behind, no ahead of, public opinion, but the history of such controversies during the past few months hardly warrants much confidence in these developments until the end result is evident. The Administration appears to be moving hesitantly in the right direction, and we can only hope it gains understanding and courage as it proceeds—if it does.

Unfortunately, however, in two other fields vastly broader than those concerned in these two particular labor controversies and proportionately more important, there is no corresponding indication of progress. On the contrary, in certain vital respects the situation has grown measurably more disheartening during the past week. We refer, of course, to price control and taxation. No one can say with any assurance what the Administration really wants in the form of price control legislation. It has conjured up powers to control prices which do not exist save possibly by virtue of other legislation which doubtless in the minds of Congress was unrelated to price restrictions, and at times it has

(Continued on page 1028)

Binders For The Convenience Of Our Subscribers

Arrangements have been made with the "Expandit" Binder to supply temporary binders in which to file current issues of the Financial Chronicle in its new form. These will facilitate the use of the Chronicle and will protect copies against mutilation and loss. The cost is $2.50 plus postage for each of these binders which have been designed to hold one month's issues of the Financial Chronicle. Orders for binders should be sent to "Expandit" Binder, 25 Spruce Street, New York City.

From Washington

(Continued from first page)

the country's substance, in fact, if "the blood of no American boy is spilled on foreign soil."

There is really something crazy about this picture. There are Senators and members of the House who would vote freely for war tomorrow against Japan. Their thought is that is something that would be confined to our Navy and for some reason or another, the Navy is looked upon as a professional fighting force, getting paid to fight; therefore, there is no particular harm in its earning its money.

There seems to be no comprehension anywhere, at least in Washington, that the greatest slave master in all creation, a greater slave than Hitler could possibly be, is DEBT. And debt is what we are piling up. Washington officials sit around and talk glibly about the needs of getting our defense expenditures up to $3 billion a month. Congressmen and Senators talk of that need. But there are few of them who would vote tomorrow to send an expeditionary force to Europe.

From the beginning of this crisis, the emphasis has been put upon not sending "American boys" to Europe. There are few Congressmen and Senators who in public utterances have not assured their constituencies that under no circumstances would they do this. And, in spite of the isolationists' claims, Mr. Roosevelt has not the slightest intention, at this time, of sending men to Europe. He is obviously not training an AEF. His whole purpose is to crush Hitler without doing this, in which event he will undoubtedly be acclaimed as an amazing man: a man who "kept the country out of war" in such a world crisis as we are passing through. Yet Navy men will have been killed and the national debt will have arisen to the point of crucifying people.

The reason I said at the outset, that the efforts of the Administration to make the country war-conscious are funny, if not tragic, is that I talk daily to my countless colleagues who have been called into this service or that—Nelson Rockefeller's Latin American cultural relations' enterprise; Donovan's "coordination of information" agency; LaGuardia's Office of Civilian Defense, and most recently, but not all, Archibald MacLeish's Office of Facts and Figures. For years the New Deal was taking on newspapermen who because of the casualties in the newspaper field, needed jobs. But the so-called defense agencies are now pulling away good men from established jobs by making more attractive offers in many instances, by appealing to their patriotism in others. And these fellows piled up in the various and rival bureaus don't know what in the name of heavens to do. They step upon one another's toes. The more decent ones of them, not interested in promoting their agencies over the other agency, but wanting to do a job, are utterly lost. The cost of these many agencies run up to at least half a billion dolars a year. LaGuardia's OCD has already gotten $900,000 for the current fiscal year; Donovan is to get more than a million.

There is considerable significance in the action of the House in asking its Judiciary Committee to determine whether a Federal grand jury in Washington, investigating isolationist propaganda, has a right to subpoena Congressman Ham Fish. Fish is not a popular member of the House. But the resolution upon which the House acted in this instance, was introduced by the House Democratic Leader, John McCormack of Massachusetts.

The explanation is that the

(Continued on page 1027)

Editorial—

The Railroad Trainmen's Threat Against Public Safety

Transportation has become the basic necessity of civilization. Without a great volume of very cheap and highly efficient movement of commodities over long distances the whole productive capacity of the Earth could not be organized to support the great populations now inhabiting Western Europe and North America, at least without reducing their standards of living to levels approximating those of the unhappy and under-nourished millions who occupy the most densely populated regions of India and China. It is especially true of the United States that the mass-production of cheap and safe transportation, enabling the highest degree of localization and specialization of industrial and agricultural functions in production, with the maximum of territorial and group division of labor, supports an enormous interchange of commodities over far the greatest area of free and untrammelled trade upon this terrestial globe. And this with immense and immeasurable enhancement of the public welfare.

Steam railroad transportation remains the strong backbone of the system, sustaining that tremendous volume of essential movement of commodities and, should it be interrupted for an considerable period of time, the whole mechanism of American life would be deranged and brought to a full and tragic stop. Starvation would almost immediately confront every important center of population; all great localized industries would cease to receive raw materials and fuel; their production would abruptly come to an end; necessaries of existence which agriculture in many localities no longer attempts to produce for itself would cease to flow to the stagnant local markets; catastrophe black and appalling would have arrived. The foregoing sentences in no fraction exaggerate the disaster which would have followed almost at any time during the last 70 years from a general and effective strike of railroad labor, one lasting long enough to bring about as much as a two-weeks' interruption of the steady flow of raw materials, finished products, and food-supplies between their places of production and the points at which they are needed for the continuance of industrial activities or directly to supply the wants of the ultimate consumers. Momentarily, this extreme dependence upon railroad transportation is enhanced, if it is possibly at all subject to enhancement by any acute condition of necessity, by the absorption of all America in preparations to meet the probable military exigencies which deplorable foreign policies have made highly imminent. To interrupt railroad transportation for even as much as a single day, at this juncture, if effected by any combination or conspiracy of or among any group of employees or others, would convict the conspirators, in morals if not actually in law, of rebellion against the Government and the public welfare and of overt action giving great aid and comfort to the enemies, or the potential enemies, of the United States.

"Treason against the United States," is specially defined by Section 3 of Article III of the Federal constitution precisely to include such misconduct as "adhering to their enemies, giving them aid and comfort." Certainly, no sane human being, with knowledge of the facts as they are today, could imagine that even the taking of Moscow could create such rejoicing within the souls of Hitler and Mussolini as would arise from receiving information that a general railroad strike was in progress in the United States, the world's "arsenal of the democracies." Patriotism ought to render any course possibly leading to the fomentation of such a strike in this country totally unthinkable by any clear-headed railroad employee or citizen. It must be intolerable to any sound public sentiment and it ought to be concisely condemned and heavily penalied by the laws of the country.

Unfortunately, neither the first nor the third of the three conditions above outlined actually exists at this moment in the United States. There are, it is only too evident, some railroad employees, probably relatively few as compared with the whole number, who do not wholly abhor and totally reject the suggestion of a strike against the continuity of railroad service even during the present emergency, and one also against the closely related public safety, and there is no Federal law in existence which prohibits or penalizes a conspiracy to produce a general railroad strike effecting complete cessation of essential services; surely defeating the defense measures of a public that has already appropriated, within a very few months, over $66,500,000,000, in the firm belief that limitless devotion and expenditure have become necessities of self-protection; and producing immeasurable confusion, catastrophe, and terror throughout the length and breadth of the land. More than all this, five great labor organizations, including more than a majority of the five highest paid classes of railroad employees who are not executive or administrative officers, have dared actually to call and announce a general strike upon all the railroads of the United States, to begin within four weeks, on Friday, Dec. 5. They have taken this action in the teeth of an award giving to railroad labor, in general increases in wages, an annual amount estimated at $270,000,000 and effecting an increase in rail-

Editorial—

Securities Act Changes

Far more than most financial observers had hoped, the various securities enactments are receiving critical study in the legislative halls of Washington. A spirit of change appears to be in the air, if the hearings before the House Interstate and Foreign Commerce Committee are any index. The need for drastic revision and modification of enactments which were largely punitive, and which have been attended by enormous harm as well as some good, plainly is comprehended by at least some elective spokesmen in the national capital.

Whether Congress in general can be expected to realize the underlying essentials of arguments presented in the hearings is still to be established. Perhaps it is too early to rejoice unduly regarding the trend of those hearings. In New York circles it already is whispered that the Securities and Exchange Commission, which has grown into a hydra-headed and powerful body during its eight years of existence, already contemplates private suggestions to the President for veto of any sweeping modifications of its authority.

Such allegations possibly will be denied strenuously by members of the Commission. The course of the hearings nevertheless lends them color, for earnest, lengthy and boring efforts were made by Commission spokesmen from the beginning to depict the enactments as holy writ, almost incapable of improvement. In an obvious effort to recreate the punitive atmosphere that brought the enactments into existence, two whole days of testimony were presented at the start by Commissioner Ganson Purcell, with a view to reviving horrible images of unbridled excesses visited upon innocent investors.

But various Congressmen made plain, as the hearings progressed, their realization that the baby has been thrown out with the bath. They evinced a heartening understanding of the fact, long known to every financier, that the medicine is far too drastic and too long applied, making the continued existence of the patient uncertain on that score alone. Close observers at the hearings sensed a growing impatience with the stuffy pretensions of the Commission.

Indeed, a stiff reminder was given the SEC at one point that it enjoys no mandate as to the legislation under review. When a question came up regarding the Public Utility Holding Company Act, the Commission rejoined that amendments to that measure were not contemplated. Whereupon a member of the House Committee remarked pointedly that the Utility Act also may be revised, if Congress sees fit. These are straws in a wind which may well be blowing strongly here and there. The need for whipping up that wind further needs no emphasis.

Whatever the outcome may be of the present attempt to revise the laws and make them more reasonable instruments, the reactions of Congressmen are such as to pose further considerations. President Roosevelt may veto changes that Congress holds advisable, but that the SEC views as an infringement upon its bureaucratic entrenchment. The whole project may tumble under the stress of war. It is nevertheless plain that publicly elected representatives of the people begin to look upon these things with less jaundiced eyes than those which called the punitive and largely unworkable enactments into existence.

In the light of this tendency, two things can and should be done. The first is a maintenance of the highest ideals and standards in the business of originating and dealing in securities. A return to these first principles is not necessary in the vast majority of cases, for they were never abandoned. On the outer fringe of the securities business there are still, as the SEC itself admits, larcenous individuals, but they are not representative of the industry.

The second requirement of the situation that plainly impends is a genuine campaign for the education of the public to the realization that finance merely was made the scapegoat by unscrupulous politicians for all the ills and misjudgments of an era that is now more than a decade behind us. When that public understanding develops, the pendulum will swing of itself to the beneficial middle ground of sensible and modest Federal regulation, and a harsh treatment of all dishonesty, for which the common law always was and still is available.

road operating expenses of some 9 or 10%, this highly generous award having been made after long investigation and full argument by an impartial tribunal set up in accordance with law by the President of the United States and after representatives chosen by the respective unions had submitted all the evidence that they cared to produce. It is suitable to list here the names of the organizations of railroad labor which have undertaken to threaten the American people with such insolent and intolerable injuries, together with the names and titles of their chief officers who may have induced, and certainly are countenancing, this unwarrantable and unpatriotic threat against the public. They are—

Brotherhood of Railroad Engineers, Alvanley Johnston, Chief; Brotherhood of Locomotive Firemen and Enginemen, J. J. Goff, Assistant President; Order of Railway Conductors, H. W. Fraser, President; Brotherhood of Railroad Trainmen, A. F. Whitney, President, and Switchmen's Union of North America, T. C. Cashen, President.

These are the organizations that represent, as we have noted, the highest paid railroad labor, which is, presumably and upon the average, the most intelligent and, without any presumption being involved, the most avaricious and grasping. These organizations have never affiliated with the American Federation of Labor, nor connected themselves in any way with the Congress of Industrial Organizations, but have constituted themselves the independent and self-styled "Big Five." They have closely co-operated with each other against their employers and the public, including all labor that is not so well paid, which implies substantially all other labor in the country. Quite frankly, they have regarded and represented themselves as an aristocracy among wage-earners, made so by their employment and in remembrance of conditions that long ago expired, and entitled by something inhering in that illusive status, to wages and treatment definitely constituting them, as against all other railroad labor and all others among the Nation's workers, as an especially favored class separated by this advantage from all others among the gainfully employed citizens of the country. In large degree, they have attained their intended end and have maintained continuously their favored status. The conductors, at least, and probably many of the engineers and other trainmen and some of the switchmen, have long been considerably over-paid, as compared with workers of equivalent skill and training operating under comparable conditions in other industries. Of course, all railroad wages are really paid by the consumers of the commodities transported, at the expense largely of the much poorer inhabitants of the cities, towns, villages, and rural communities which are vitally dependent upon railroads for their existence. This arrogant combination of labor organizations does not include a majority of the employees of the railroads. If these five organizations possess all the members which their officers claim, which is rarely if ever the case among labor union, they have only 350,000 on their rolls, or less than one-third of the number who work for the railroads. Fourteen other organizations of railroad workers have accepted the award with evident satisfaction, and perhaps some surprise at its magnitude, and it has also been accepted by the railroads. The fourteen unions that have accepted the award have from 750,000 to 800,000 members, so that, if the five recalcitrant organizations should succeed in their alleged purpose of interrupting railroad operations over the country, they would throw out of employment, in their own industry alone, more than twice their own number of fully satisfied employees, in addition to the far greater injuries they would effect against the entire people of the United States.

It is not likely that the leaders of the "Big Five" have, in fact, no intention whatsoever of producing a general railroad strike, or any strike at all; that they are merely using the threat of a strike, assuming that the thing itself is so terrifying and so awful that, in the fear of it and to avoid it, the American people, led by their President, who has never in his whole career assumed a courageous stand against the coercions and encroachments of organizations of wage-earners, however arrogant and unwarranted, will ignominiously bow their heads, and bend their backs, to accept and to bear a new and unjustifiable burden of swollen pay-rolls in favor of these aggressive and persistent claimants. They remember the year 1916, when the country was also preparing for warfare, and when similar threats frightened President Wilson until he was induced to endorse and promote in Congress the very vicious Adamson Act, which was hastily adopted, and they anticipate that Mr. Roosevelt, far weaker than Mr. Wilson in meeting excessive demands from labor, will similarly submit himself to their will and readily rake their chestnuts from the fire.

There could be no justification or excuse for such a concession. Its cost would be excessive and it is absolutely unnecessary. Yielding to such pressure would be pure and unadulterated cowardice, despicable and beyond even plausible defense. Arrogance and effrontery should be met by firmness and courage, both supported by wisdom and understanding. The 135,000,000 people of the United States are not at the mercy of 350,000 railroad operatives who lack the decency and patriotism to accept, in this hour of national trial, the results of an impartial arbitration and to remain at their posts of duty when extreme public exigency is held to demand great sacrifices from every American citizen. There are ample resources at the command of statesmanship to meet and to control this situation. Congress, wisely advised and alert in the public interest, has powers sufficient completely to defeat the intolerable threat and to prevent entirely any interruption of service upon the railroads of the country. We propose here to show what these resources are and to outline the manner in which it would be possible immediately to utilize them, that is to say, substantially the manner in which we think that they ought forthwith to be utilized by enactment.

Since the decision of the Supreme Court in *Wilson vs. New*, the case sustaining the validity of the Adamson Act, there can be no doubt whatever of any of the following:

1. That under emergency conditions Congress has authority to prescribe wages and working conditions upon all railroads operating in interstate commerce, such wages and conditions to continue during the emergency.

2. Imminent threat of a general railroad strike constitutes such an emergency and Congress is the final judge of the facts.

3. Congress may exercise its authority to fixe wages and working conditions upon the railroads either directly or through a board or commission acting under delegated authority, the standard for its action being suitably defined in the statute.

The foregoing principles of law being recognized, as they must be, it ought to be clear to anyone at all competent to comprehend the metes and bounds of the present exigency that the time for immediate and bold Congressional action has arrived and that any unnecessary delay in taking such action would be an unpardonable failure to accept responsibility and a serious breach of faith with the public which entrusted its legislative representatives with all the necessary powers and looks to them for safeguarding action. There ought to be no waiting for recommendations from the President, whose long-established timidity in the face of organized labor would probably prevent the emanation of any sufficiently comprehensive measure from that source. A statute in very brief and concise form would suffice to accomplish the following:

1. Fix the rates of wages and the working conditions recommended by the Special Emergency (fact-finding) Board, in its last week's (Nov. 5, 1941) report to the President as the only lawful wages and conditions to be enforced until after (say) Feb. 28, 1942.

2. Create an impartial and especially qualified temporary board, subject to confirmation by the Senate, constituted somewhat like the Anthracite Coal Strike Commission set up by President Theodore Roosevelt in 1902, and authorize that board summarily to hear and before Feb. 28, next, to determine all issues between the employees and the railroads as to wages and working conditions and to prescribe such wages and conditions for the balance of the duration of the emergency, or until (say) June 30, 1944.

3. Declare that this emergency statute shall not be construed or applied to create or require any involuntary servitude on the part of any person or persons.

4. Prohibit any agreement combination or conspiracy between any two or more persons to interrupt intersate commerce upon any railroad, by simultaneous abandonment or suspension of service or by inciting or inducing others to cease or to suspend performance of their obligations as railroad employees or by any other means or device.

5. Prohibit any expenditures, by any person or persons, incorporated or unincorporated, in furtherance of any strike on any intersate railroad.

6. Penalize any infraction of the new law, which should take effect at once and remain in effect through June 30, 1944, by heavy fines and long imprisonment.

7. Direct the President to utilize the military forces of the United States to police the railroads whenever threatened and to prevent violence against any interstate railroad or any person working or desiring to work in connection with the operation of any such railroad.

Such a statute as we have outlined could be rapidly formulated by any competent legislative draftsman and, unless we underrate the character and determination of most members of Congress and most Senators, it could speedily be passed, and even passed over a Presidential veto should such executive opposition develop. The present Army, which has no useful occupation at this time, could gain useful experience and efficiently advance the public interest in protecting the railroads and railroad workers against any threatened violence which might develop.

From Washington

Continued from page 1026)

House, and also the Senate, is stirring in an effort to save itself from the overwhelming bureaucracy which is steadily eclipsing it. The Congress is pretty much bewildered by what is going on. It has the picture before it of what happened to the Reichstag. It doesn't know yet just exactly what to do. Recently, it has witnessed the increasing contempt of bureaucrats, for example, the time when Leon Henderson told the House Banking and Currency Committee that he would not be guided by any recommendations which the Dies Committee made. The move to protect Fish against a Federal grand jury, directed by the Department of Justice, is a manifestation of the House's bewilderment, but desire to do something.

Over in the Senate, the manifestation is becoming more pronounced. During the neutrality debate, Senator Byrd of Virginia, started something when he announced that he would not support the Administration's war efforts any more unless it "cleaned up the domestic situation." Senator Tydings of Maryland, joined with him. And here was a rather definite move to make Mr. Roosevelt pay as a price for defeating Hitler a promise to call off the domestic revolution. It didn't go very far but the movement is not dead by any means.

There is an increasing rally around Jesse Jones, insofar as Congress is concerned, as the man to head off the domestic revolution, with his vast money lending powers. So far, it has been manifested pretty much in the majority of Congress giving its moral support to Jesse in his "business-like" handling of proposed plant expansions submitted to him by the New Deal controlled SPAB. The SPAB has a great way of announcing that it has certified aluminum and steel plant expansions to him, for example, and then subsequently, when Jesse hasn't taken any definite steps to finance them, to put the heat under him. But Jesse remains unmoved—and the majority of Congress is silently backing him up.

In the meantime, the indications are that Donald Nelson is coming to the end of his honeymoon as priorities director or as OPM's big shot. It seems that dissatisfaction with that agency is just as rife as ever. Rumors are increasing that it is due for another reorganization. Floyd Odlum, notwithstanding his efforts in behalf of little business, has been able to accomplish almost nothing. He has gone off to a hospital for a rest. He and Nelson do not see eye to eye; Nelson is not having his way with the New Dealers as much as he thought he would have.

Washington today is just as much administrative confusion as it was six months ago.

Moody's Commodity Index Advances

Moody's Daily Commodity Index advanced moderately from 208.5 a week ago to 209.7 this Friday. The most important individual gains were in wheat and cotton prices.

The movement of the index was as follows:

Monday, Nov. 3	208.5
Tuesday, Nov. 4	*
Wednesday, Nov. 5	209.6
Thursday, Nov. 6	209.3
Friday, Nov. 7	210.1
Saturday, Nov. 8	210.0
Monday, Nov. 10	209.7
Two weeks ago, Oct. 27	208.0
Month ago, Oct. 10	211.7
Year ago, Nov. 9	167.9
1940 High—Dec. 31	171.8
Low—Aug. 16	149.3
1941 High—Sept. 9	219.9
Low—Feb. 17	171.6

*Holiday.

THE FINANCIAL SITUATION

(Continued from first page)

appeared to be satisfied with this left-handed procedure. At any rate, there is nothing in the record which indicates it is prepared to put its weight behind any proposal to place all prices, including farm products and wages, under control. The wisdom of any such broad, over-all, price control legislation would, in our view be dubious enough in all conscience, but a school child should know that any effort to control other prices while those of farm products are left free to rise drastically and those of labor to rise without hindrance is foredoomed to failure. Here is a situation heavy with high explosives, but the Administration appears to be as indifferent, as evasive, or as unappreciative of it as is the public to many of the plain implications of the entire war program.

It is, however, in the tax situation that the President appears to be most interested at the moment. Here he is apparently really exerting himself to obtain action from Congress. Like the Secretary of the Treasury, he reveals himself in his recent communication to the Ways and Means Committee of the House to be anxious about "inflation," and strongly convinced that another and drastic tax measure is the means by which to avoid it. Without such legislation to drain off purchasing power, he says, price control can not be effective to prevent "inflation" which is in itself "a most inequitable type of taxation." His letter to Mr. Doughton, taken by itself, would suggest a rather unusual degree of understanding of the problem by which his Administration is faced, and is worth reproduction in full here. It follows:

> I understand that the Secretary of the Treasury recently consulted with you and other Congressional leaders about the inflation problem and the urgency of prompt tax legislation to counteract the inflationary pressures arising from the defense program. It seems clear that if we are to prevent a further sharp increase in the cost of living and in the cost of the defense program itself we must take immediate steps to absorb a large amount of purchasing power through additional taxes and incidentally to pay cash for greater part of our defense production. We must remember that taxation is a necessary complement of price control legislation because the continuing effectiveness of price control is largely dependent upon the restriction of the demand for goods.
>
> If these taxes are to restrain inflation they should be directed mainly at that part of the national income which is being devoted to the purchase of civilian goods and should be of a character that will not increase the cost of these goods. Purchasing power so far exceeds actual and potential production of civilian goods that vigorous steps must be taken to reduce purchasing power more nearly to the level of production capacity.
>
> Inflation is itself a most inequitable type of taxation. It grants no exemptions—and recognizes no hardships—though a well-drafted tax bill can do both. I very much fear that unless we start within two or three months to withdraw through taxes a larger part of the current national income an even greater part may evaporate through inflation, and the upward spiral may gain such momentum that it will be difficult to regulate, despite all efforts through price control and similar measures. I do hope you will be able to help us with this problem now.

So much for fine phrases. Now turn to what is definitely proposed. The President, so far as known, presented no bill. In his published correspondence he does not make any concrete suggestion. It is, however, definitely known that the Treasury for months past has been strenuously engaged in preparing a tax program designed to do precisely what the President tells Mr. Doughton must be done. It is, moreover, definitely know that this program is now completed or virtually completed, that the Secretary of the Treasury laid it before the Chairman of the Ways and Means Committee in some detail, and that it was this act of the Secretary to which the President referred in his letter to Mr. Doughton. In these circumstances we can hardly suppose that the President does not know what the Treasury's program is or that he finds himself in any important way in disagreement with that program. One can, indeed, scarcely avoid the assumption that in broad outline at least the Treasury's program is definitely the Administration's program.

Now consider what the Treasury suggests. Unfortunately the public has not been permitted to know the full details. It is possible that much is contained in the measure of which nothing has been heard as yet, but what information has seeped through and now becomes officially verified is quite enough to cause any thoughtful person to gasp and stare. It is now proposed that during the year 1942 those who must in any event pay income taxes upon their 1941 income must suffer their employers to deduct 15% of their wages or salaries for payment to the tax collector—but only after the exemptions under the existing income tax have been applied! That is to say, the $4,800,000,000 additional taxes proposed are to come from the very same people who now pay crushingly heavy income taxes and who must continue to pay them in addition to this new impost. Those who now are not subject to income taxes will continue to go scot free!

And this plan is being proposed "to counteract the inflationary pressures arising from the defense program." These latter words are of course quoted from the President's letter already presented in full, but they are only a paraphrase of many statements previously made by the Secretary of the Treasury under those aegis the current tax plan has been evolved and who is the official sponsor of the measure. Can any man in his right senses for a moment imagine that "inflationary pressures arising from the defense program" make themselves effective through individuals now paying Federal income taxes? Of course, those pressures arise through the medium of wage earners whose pay envelopes have swollen enormously during the past year or two and are still swelling, and who seldom make the acquaintance of the income tax collector. Now it may well be that Congress will at length balk. It may be that the Treasury does not expect to obtain the full 15%, and would be content with half of it, but would still leave those now subject to Federal income taxes bearing the full load of the new burdens, and still leave the great rank and file (incidentally including the farmers) whose income has been greatly enlarged by reason of the defense program untouched. Perhaps presently the President will come forward, as he has done in the past, and suggest a further lowering of the exemptions, but that too, as the experience of the past year has demonstrated to those who did not know it beforehand, would leave those now subject to Federal income taxes bearing virtually the entire load, and those who are really profiting by the defense program and who accordingly are the natural instigators of inflation untouched.

Let no one imagine for a moment that the Treasury is not fully aware of the incidence of these proposed taxes. It is the settled policy of the Administration, often proclaimed and again reaffirmed in substance in private conversations concerning this very tax proposal, to see to it that this war costs wage earners (certainly organized labor) and the farmers nothing, and, if it can be accomplished, that along with all our so-called defense efforts the economic position of these groups shall be continually improved—at the expense, of course, of other elements in the population, although not so much is said of this phase of the matter.

The Administration's objective in this case is, in our considered opinion, "as far away as the moon" to make use of an apt recent phrase of a very unpopular and unworthy figure. It can not, no matter what its wishes are or what may be thought of the abstract justice of the case, effect any such defense program as is now projected, relieve "the poor" of any of the cost of it, prevent inflation, and load the cost on all those who, already sorely pressed, are not profiting but losing by the whole program, but it may wreck the country trying to do so. War, pestilence and inflation always do the most damage to the "under-privileged third," not because of some perversity of fate or the innate cussedness of former governments, but merely because these groups are less able to stand the punishment. There is no way to make them whole except by avoiding war, pestilence and inflation—and the Administration does not appear to have the most remote idea how to avoid them.

Petroleum And Its Products

The 7-cent a barrel increase in North Texas crude oil prices, posted on Nov. 6 by several companies, will be withdrawn, prices reverting to their former levels, at the request of the Office of Price Administration, Leon Henderson, Administrator, announced in Washington late Tuesday. The announcement followed two days' conferences between representatives of the Consolidated Oil Corp. and the Texas Co. and O. P. A. officials, the oil men being summoned to Washington by Mr. Henderson after the advance had been made "without the approval of the O. P. A."

"Prices cannot be advanced first and discussed afterward," Mr. Henderson pointed out in his announcement. "We are studying the whole crude price situation in the mid-continent area and this study will be pressed forward rapidly. It will include specific consideration of whether the customary price differential on north and north central Texas crudes, which is of nine years' standing, is still justified. This applies to differentials in other areas as well. In the meantime prices, which are generous compared with those obtaining until recently, should remain stable."

The advance, which was initiated by an affiliate of Consolidated Oil Corp., established a new top of $1.25 for 40 gravity and above, was quickly followed by Texas Co. and other marketers purchasing in the North Texas area. It was indicated that all companies would follow in the reduction of prices to former levels. The change was the first since Oct. 10 when the Office of Price Administration disclosed that it was undertaking a comprehensive price study of the crude oil markets following requests of Phillips Petroleum for a 25-cent barrel lift in mid-continent area.

The Sinclair Prairie Oil Marketing Co., subsidiary of Consolidated Oil, posted an advance of 7 cents a barrel in North Texas crude oil prices on Nov. 6, followed immediately by similar markups by Stanolind Oil Purchasing Co. and the Texas Co., although the gravity schedules vary somewhat. The advance was made to equalize prices between the Southern Oklahoma district and the Northern Texas area, just across the Red River. Price parity with Southern Oklahoma wells has long been sought by North Texas oil men since their crude is higher gravity, on the average.

A top of $1.25 for 40 gravity and above was established under the new price schedule initiated by Sinclair, against the former top of $1.88 with the other two companies setting similar top prices. The new price schedule for Sinclair starts at 95 cents for below 26 gravity, against 94 cents previously, rising 2 cents for each higher gravity to the $1.26 top. Stanolind starts at 85 cents for 21 gravity, formerly 78 cents, and hits the $1.25 top. A price of $1.01 for 28 to 28.9 gravity, against 94 cents previously, was set by Texas, with advances of 2 cents a barrel for each higher gravity establishing a top of $1.25.

Saying that the differential should never have existed between the Oklahoma and Texas prices, E. O. Thompson, Chairman of the Texas Railroad Commission, on Nov. 9 appealed to Price Administrator Henderson for approval of the 7-cent boost in crude postings. In the same wire, Mr. Henderson was urged by the Texas oil official to approve the 25-cent a barrel increase in mid-continent and southwestern oil areas proposed by the Phillips Petroleum Co., which is being deferred pending the results of an investigation by the O. P. A. and the Petroleum Co-ordinator's Office. The 25-cent a barrel advance has been proposed twice by Phillips Petroleum but has been deferred at the request of Mr. Henderson. The O. P. A. head, however, has indicated that his office's investigation of the cost background of the proposed advance is far from complete.

Pointing out that experience has shown that new discoveries always follow close upon price increases for crude oil, Mr. Thompson wired the O. P. A. chief that "the Nation is calling for 30-odd thousand new wells to be drilled in 1942. Some authorities claim that the crude needs will go as high as 5,000,000 barrels daily in 1942 This means many new fields must be discovered immediately." Mr. Thompson also pointed out that the increase would be instrumental in saving 300,000 stripper wells which now are facing abandonment because of the increased operating costs and continued low crude oil price levels.

Close on the heels of the North Texas crude advance the Price Administrator sent wires and letters to all purchasers, producers and marketers requesting that no increases be made in the purchase of crude oil over that ruling as of Oct. 1, last. The marketers were asked to submit all proposed advances in prices to the O. P. A. There is no formal ceiling on gasoline or crude oil prices existing now although the O. P. A. set up a schedule of "fair prices" for gasoline covering the East Coast during the scare-shortage. The schedule was not adhered to very closely by marketers. Unofficial statements from O. P. A. officials pointed out that the petroleum industry is dependent upon Government priorities to obtain needed material. In the past, the O. P. A. has used such power as an "enforcement weapon" when setting price ceilings.

An immediate end to waste of natural resources and violation of conservation laws by the petroleum industry was urged by Petroleum Coordinator Ickes in his address before the members of the American Petroleum Institute at that group's annual convention in San Francisco last week. "I view the work of the Office of Petroleum Coordinator as an agency to do a necessary job during the emergency—an agency that will be discontinued when the emergency ends," he also stated. Another highlight of his talk was his plea for higher production of high octane gasoline to over a "grave inadequacy."

"The Government does not want to control the oil business," Mr. Ickes continued. "I have neither the power nor the will to impose Federal control upon the oil industry." However, he added,

(Continued on page 1030)

Labor Bureau's Wholesale Price Index Advanced 0.4% In Week Ended Nov. 1

With a marked rise in agricultural commodity markets, particularly for livestock and fruits and vegetables, there was a gain of 0.4% in the Bureau of Labor Statistics' wholesale price index of nearly 900 series during the week ended Nov. 1, Acting Commissioner Hinrichs reported on Nov. 6. At 91.6% of the 1926 average, the all-commodity index is near the recent peak and is about 17% above a year ago.

The Labor Bureau's announcement added:

> Six of the 10 commodity group indexes advanced and 4 remained unchanged at the level of the preceding week. Farm products rose 1.6%; foods and hides and leather products, 0.8%; building materials, 0.3%; chemicals and allied products, 0.2%, and housefurnishing goods, 0.1%.
>
> Average wholesale prices for livestock and poultry advanced 2.6% following the sharp decline of the week before, but are nearly 9% below the relatively high level of mid-September. Quotations were higher for steers, hogs and sheep. Grains rose 0.7%. Barley, corn and oats were higher while rye and wheat declined. Higher prices were also reported for potatoes, citrus fruits, apples, for beans, seeds, hay, hops, and for eggs and wool. Prices for live poultry, and for cotton averaged lower. Notwithstanding the recent advance, prices for farm products in wholesale markets are 2.3% below the high level reached in September.
>
> Prices for foodstuffs at wholesale rose moderately. A 2% advance in butter prices brought the index for dairy products up 0.6%. Cereal products and meats increased 0.4% as higher prices were reported for flour, cured and fresh pork, cured beef and mutton. In addition to seasonable higher prices for fresh fruits and vegetables, quotations were also higher for certain canned fruits and vegetables, and for tea, cocoa beans and cottonseed oil. Prices were lower for bananas, fresh beef at New York, bacon, dressed poultry and for lard, corn oil and peanut oil. Average wholesale prices for cattle feed were up 0.3%.
>
> Earlier advances in prices for hides, skins and leather were reflected in substantial increases in wholesale prices for shoes, which are now at the highest level in 20 years. Sole leather declined.
>
> Average prices for building materials rose fractionally as a result of higher quotations for most types of yellow pine lumber, maple and oak flooring and for millwork, whiting and lime. Rosin and turpentine dropped sharply.
>
> Following a two-week period of falling prices, industrial fats and oils resumed their upward movement and rose 1.5% during the week.

The following tables show (1) index numbers for the principal groups of commodities for the past 3 weeks, for Oct. 4, 1941, and Nov. 2, 1940, and the percentage changes from a week ago, a month ago, and a year ago (2) percentage changes in subgroup indexes from Oct. 25 to Nov. 1, 1941.

(1926=100)

Commodity Groups	11-1 1941	10-25 1941	10-18 1941	10-4 1941	11-2 1940	Percentage changes to Nov. 1, 1941 from— 10-25 1941	10-4 1941	11-2 1940
All Commodities	91.6	91.2	91.7	91.6	78.5	+0.4	0.0	+16.7
Farm products	89.5	88.1	89.8	90.3	66.5	+1.6	—0.9	+34.6
Foods	88.2	87.5	88.4	89.7	70.8	+0.8	—1.7	+24.6
Hides and leather products	114.1	113.2	113.2	112.4	102.3	+0.8	+1.5	+11.5
Textile products	90.3	90.3	90.2	89.9	73.7	0.0	+0.4	+22.5
Fuel and lighting materials	79.9	79.9	80.0	80.1	72.2	0.0	—0.2	+10.7
Metals and metal products	102.2	102.2	102.2	98.7	97.4	0.0	+3.5	+4.9
Building materials	107.3	107.0	106.9	*106.6	98.1	+0.3	+0.7	+9.4
Chemicals and allied products	89.8	89.6	89.7	89.7	77.1	+0.2	+0.1	+16.5
Housefurnishing goods	100.0	99.9	99.9	98.5	90.1	+0.1	+1.5	+11.0
Miscellaneous commodities	85.5	85.5	85.6	85.0	76.9	0.0	+0.6	+11.2
Raw materials	89.1	88.2	89.2	89.5	71.2	+1.0	—0.4	+25.1
Semi-manufactured articles	89.7	89.7	89.7	90.5	80.0	0.0	—0.9	+12.1
Manufactured products	93.4	93.1	93.5	*93.1	82.0	+0.3	+0.3	+13.9
All commodities other than farm products	92.1	91.9	92.2	91.9	81.1	+0.2	+0.2	+13.6
All commodities other than farm products and foods	93.1	93.0	93.1	*92.1	83.7	+0.1	+1.1	+11.2

*Revised.

Percentage Changes in Subgroup Indexes from Oct. 25 to Nov. 1, 1941

Increases			
Livestock and poultry	2.6	Plumbing and heating	0.7
Fruits and vegetables	2.3	Other building materials	0.7
Shoes	1.6	Dairy products	0.6
Oils and fats	1.5	Lumber	0.5
Other farm products	1.3	Cereal products	0.4
Other foods	0.8	Meats	0.4
Grains	0.7	Cattle feed	0.3
Rayon	0.7	Furniture	0.2
Cotton goods	0.1		
Decreases			
Paint and paint materials	0.1	Leather	0.1

September Department Store Sales

The Board of Governors of the Federal Reserve System announced on Nov. 7 that department store sales declined in October following an unusually large volume of sales in the preceding three months. The Board's seasonally adjusted index is estimated at 104 for October, as compared with averages of 122 for the third quarter and 103 for the first half of this year. The Board's tabulation follows:

INDEX OF DEPARTMENT STORE SALES † 1923-25 AVERAGE=100

	Oct., 1941	Sept., 1941	Aug., 1941	Oct., 1940
Adjusted for seasonal variation	104	116	134	94
Without seasonal adjustment	111	125	106	101

Change from Corresponding Period a Year Ago (%)

Federal Reserve District—	One Week Ending— Nov. 1	Oct. 25	Oct. 18	Oct. 11	Four Weeks Ending— Nov. 1	Sep. 27	Aug. 30	Aug. 2	Yr. to Nov. 1
Boston	+12	+4	—1	+20	+8	+16	+37	+20	+16
New York	+8	—2	+4	+2	+3	+9	+33	+21	+13
Philadelphia	+14	+4	+7	+4	+7	+10	+37	+27	+18
Cleveland	+19	+12	+7	+16	+13	+14	+45	+28	+20
Richmond	+26	+12	+1	+21	+14	+10	+40	+31	+21
Atlanta	+29	+8	+7	+5	+12	+12	+36	+30	+19
Chicago	+22	r+6	+3	+17	+11	+15	+31	+22	+17
St. Louis	+34	+15	+16	+20	+21	+16	+38	+31	+21
Minneapolis	*	*	*	*	+8	+10	+22	+17	+13
Kansas City	+20	+12	+9	+13	+13	+15	+28	+25	+16
Dallas	+26	+10	+8	+18	+15	+15	+40	+27	+19
San Francisco	+18	+19	+20	+19	+19	+21	+35	+22	+19
U. S. total	+18	+8	+6	+13	+11	+14	+35	+24	+17

WEEKLY INDEX, WITHOUT SEASONAL ADJUSTMENT, 1935-39=100

1941—		1940—	
Oct. 11	130	Oct. 12	115
Oct. 18	131	Oct. 19	123
Oct. 25	130	Oct. 26	121
Nov. 1	137	Nov. 2	117

r Revised. *Not shown separately but included in United States total. †Monthly indexes refer to daily average sales in calendar month; October, 1941, figures estimated from weekly sales.

The State Of Trade

Business activity continues to rule at top levels in most lines. A fairly good barometer of the trend is the electric production report. Latest advices are that electric energy distributed by the electric light and power industry reached an all-time peak of 3,338,538 kilowatt hours, according to the Edison Electric Institute. The increase over the same week last year was 15.8%. While carloadings showed seasonal decreases, the gain over 1940 was 12.6%.

Continuing to reflect seasonal factors, carloadings of revenue freight during the week ended Nov. 1st dropped to 894,739 cars, or 2.1% lower than the preceding week, according to the Association of American Railroads. The improvement over the same week a year ago amounted to 99,942 cars or 12.6%, while the gain compared with the similar period in 1939 equaled 93,631 cars, or 11.7%.

Engineering construction awards for the short week due to the Election Day holiday, totaled $44,209,000, a decrease of 44% from the volume for the corresponding week last year, as reported by "Engineering News-Record." Private awards for the short week are 50% below a year ago, and public construction is 42% lower.

The physical volume of merchandise sold by stores has declined sharply over the last month, but is expected to rebound markedly before the end of November. It is pointed out that purchasing power is still at record levels and supplies of merchandise in stores' hands are ample, which would indicate a higher level of activity this month.

The scrap shortage which has threatened the steel industry for some time, and which has been denied in several quarters on various occasions, took a heavy toll of steel production this week in the indicated rate of operation, which the American Iron and Steel Institute has computed at 96.6%, against 98.2% last week.

While the shortage of iron and steel scrap has been known to be affecting production in some of the smaller steel mills for several weeks, gains in other districts have been sufficient to offset the loss and thus avoid a direct reduction in the industry rate. The situation has finally become so acute, however, that the reductions caused have been too great to be offset.

The labor situation is causing grave concern, and should a strike be called at the captive mines a second time, its consequences could be highly serious not only as concerns steel, but the entire defense program. The threatened railroad strike is another major consideration.

A Congressional revolt against failure of the White House to take a firm stand against strikes in defense industries is beginning to assume major proportions and threatens to raise serious problems for the Administration in future legislation dealing with the defense program.

The complaint being openly voiced in the corridors of the Capitol is that if the international situation is so threatening to the United States as to require the piling up of an astronomical public debt and sending of American ships into war zones it must be bad enough to end strikes that interrupt the defense program.

In non-defense areas such as this city retailers now believe that the decline in trade reflects consumer resistance to higher prices. This is noted particularly in textile lines. The slump in sales comes at a time when the stores are well stocked with merchandise. Many retailers consequently have curtailed their own further buying and are likely to pursue cautious buying policies until they can test consumer reaction in January "white."

Bank Debits Up 27% From Last Year

Bank debits as reported by banks in leading centers for the week ended Nov. 5 aggregated $11,722,000,000. Total debits during the 13 weeks ended Nov. 5 amounted to $136,292,000,000, or 29% above the total reported for the corresponding period a year ago. At banks in New York City there was an increase of 27% compared with the corresponding period a year ago, and at the other reporting centers there was an increase of 31%.

SUMMARY BY FEDERAL RESERVE DISTRICTS

(In millions of dollars)

Federal Reserve District	Week Ended Nov. 5, 1941	Nov. 6, 1940	13 Weeks Ended Nov. 5, 1941	Nov. 6, 1940
Boston	729	597	7,452	6,093
New York	4,785	4,092	53,989	42,812
Philadelphia	544	437	7,214	5,417
Cleveland	809	616	10,076	7,702
Richmond	443	331	5,600	4,119
Atlanta	365	286	4,523	3,336
Chicago	1,864	1,242	20,708	15,654
St. Louis	386	275	4,538	3,257
Minneapolis	228	171	2,790	2,147
Kansas City	333	255	4,405	3,399
Dallas	304	218	3,609	2,652
San Francisco	932	669	11,389	8,878
Total, 274 reporting centers	11,722	9,190	136,292	105,466
New York City*	4,399	3,802	49,350	39,003
140 Other leading centers*	6,355	4,632	74,983	57,278
133 Other centers	968	756	11,959	9,186

* Included in the national series covering 141 centers, available beginning with 1919.

World Prices Steady

General Motors Corp. and Cornell University, which prior to the European war had collaborated in the publication of a world commodity price index, have resumed issuance of international price statistics, but on a different basis than before the war. Instead of a composite index of world prices, these organizations now are publishing the information only as individual country indexes.

The index is built upon 40 basic commodities and the list is the same for each country in so far as possible. Each commodity is weighted uniformly for each country, according to its relative importance in world production. The actual price data are collected weekly by General Motors overseas operations from sources described as "the most responsible agencies available in each country, usually a government department." The commodities involved include "a comprehensive list of several groups, including grains, livestock and livestock products, miscellaneous foods (coffee, cocoa, tea, sugar, &c.), textiles, fuels, metals and a list of other miscellaneous materials (rubber, hides, lumber, newsprint, linseed oil, &c.)." Weights assigned in the index to the different commodity groups are as follows: Grains, 20; livestock and livestock products, 19; vegetable fats and other foods, 9; textiles, 12; fuel, 11; metals, 11; miscellaneous, 18.

The indexes, which are based on prices expressed in the currency of each country, were reported Nov. 10 as follows:

(August, 1939=100)

	Argentina	*Australia*	*Canada*	*England*	*Java*	*Mexico*	*New Zeal'd*	*Sweden*	*Switzerland*	*United States*
1940—										
May	120	118	120	143	116	113	112	131	132	112
June	118	118	120	144	116	113	114	131	136	109
July	118	118	120	145	115	112	114	132	140	109
August	118	119	120	150	115	111	120	132	144	109
September	116	120	121	145	116	110	122	135	153	111
October	113	123	122	145	117	110	120	139	158	114
November	113	125	124	146	118	111	118	142	164	118
December	113	126	126	149	120	111	119	144	168	118
1941—										
January	114	127	126	150	r120	111	119	144	r172	120
February	114	126	127	150	121	113	119	147	171	120
March	119	122	129	150	123	114	119	154	176	122
April	121	121	131	150	125	115	119	156	180	125
May	126	120	134	r152	129	117	120	156	189	129
June	133	121	137	155	131	119	121	155	193	132
July	r135	r121	r141	r156	r136	r125	r122	r155	194	r136
August	138	121	r142	*157	138	127	123	156	---	138
September	139	122	145	*156	138	136	133	156	202	143
1941—										
Weeks end.:										
Sept. 6	138	122	144	155	138	128	123	156	201	141
Sept. 13	138	122	r145	156	137	130	123	156	201	144
Sept. 20	139	122	r145	r158	137	131	123	156	202	144
Sept. 27	r142	122	145	r158	138	132	123	156	203	143
Oct. 4	140	122	145	r159	138	131	125	156	*203	143
Oct. 11	140	122	144	*160	138	132	126	156	---	142
Oct. 18	141	123	143	*159	139	132	126	156	---	140
Oct. 25	141	123	r143	*159	140	132	126	157	---	r140
Nov. 1	141	124	142	*159	140	*132	126	157	---	140

* Preliminary. r Revised

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Nov. 10 a summary for the week ended Nov. 1, 1941, of complete figures showing the volume of stock transactions for the odd-lot account of all odd-lot dealers and specialists who handle odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures, which are based upon reports filed with the Commission by the odd-lot dealers and specialists, are given below:

STOCK TRANSACTIONS FOR THE ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON THE NEW YORK STOCK EXCHANGE

Week Ended Nov. 1, 1941—	Total for Week
Odd-lot Sales by Dealers: (Customers' Purchases)	
Number of orders	14,455
Number of shares	383,713
Dollar value	15,286,023
Odd-Lot Purchases by Dealers— (Customers' Sales)	
Number of Orders:	
Customers' short sales	274
Customers' other sales *a*	16,017
Customers' total sales	16,291
Number of Shares:	
Customers' short sales	5,677
Customers' other sales *a*	408,694
Customers' total sales	414,371
Dollar value	13,364,469
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales	30
Other sales *b*	132,580
Total sales	132,610
Round-Lot Purchases by Dealers—	
Number of shares	94,040

a Sales marked "short exempt" are reported with "other sales". *b* Sales to offset customers' odd-lot orders, and sales to liquidate a long position which is less than a round lot are reported with "other sales."

Note—This report and preceding reports do not include transactions in stocks effected on a "when issued" basis.

Weekly Coal And Coke Production Statistics

The Bituminous Coal Division, U. S. Department of the Interior, in its latest coal report, stated that the total production of soft coal in the week ended Nov. 1 is estimated at 10,500,000 net tons, a decrease of 410,000 tons, or 3.8%, from the output in the preceding week. Production in the corresponding week of 1940 amounted to 8,665,000 tons.

The U. S. Bureau of Mines reported that the production of Pennsylvania anthracite for the week ended Nov. 1 was estimated at 1,025,000 tons, a decrease of 199,000 tons from the preceding week. Output in the corresponding week of 1940 amounted to 947,000 tons.

ESTIMATED UNITED STATES PRODUCTION OF SOFT COAL (IN THOUSANDS OF NET TONS), WITH COMPARABLE DATA ON PRODUCTION OF CRUDE PETROLEUM

	Week Ended			Calendar Year to Date *d*		
	Nov. 1	Oct. 25	Nov. 2			
Bituminous coal *a*	1941	1941*c*	1940	1941*e*	1940	1929
Total, including mine fuel	10,500	10,910	8,665	416,046	373,969	446,294
Daily average	1,750	1,818	1,444	1,620	1,441	1,712
Crude petroleum *b*						
Coal equivalent of weekly output	6,521	6,565	5,574	266,114	260,009	195,018

a Includes for purposes of historical comparison and statistical convenience the production of lignite. *b* Total barrels produced during the week converted to equivalent coal assuming 6,000,000 B.t.u. per barrel of oil and 13,100 B.t.u. per pound of coal. Note that most of the supply of petroleum products is not directly competitive with coal. ("Minerals Yearbook," 1939, page 702.) *c* Revised. *d* Sum of 44 full weeks ended Nov. 1, 1941, and corresponding 44 weeks in 1940 and 1929. *e* Subject to current adjustment.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND BEEHIVE COKE (IN NET TONS)

	Week Ended			Calendar year to Date		
	Nov. 1 1941	Oct. 25 1941	Nov. 2 1940	1941	1940 *a*	1929 *a*
Penn. Anthracite—						
Total, incl. colliery fuel *b*	1,025,000	1,224,000	947,000	46,434,000	42,356,000	60,670,000
Comm'l production *c*	974,000	1,163,000	900,000	44,118,000	40,238,000	56,302,000
Beehive Coke—						
U. S. Total	117,800	146,300	96,700	5,189,200	2,165,300	5,678,400
Daily average	19,633	24,383	16,117	19,882	8,296	21,756

(*a*) Adjusted to comparable periods in the three years. (*b*) Includes washery and dredge coal, and coal shipped by truck from authorized operations. (*c*) Excludes colliery fuel.

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES
(In Thousands of Net Tons)

(The current weekly estimates are based on railroad carloadings and river shipments and are subject to revision on receipt of monthly tonnage reports from district and State sources or of final annual returns from the operators.)

	Week Ended					Oct.
	Oct. 25,	Oct. 18,	Oct. 26,	Oct. 28,	Oct. 26,	average
State—	1941	1941*r*	1940	1939	1938	1923 *e*
Alaska	4	4	2	3	(*f*)	(*f*)
Alabama	234	354	287	293	371	398
Arkansas and Oklahoma	100	105	53	77	132	83
Colorado	141	141	117	150	216	217
Georgia and North Carolina	1	1	*	1	(*f*)	(*f*)
Illinois	1,032	1,050	893	1,062	1,297	1,558
Indiana	464	510	331	371	354	520
Iowa	45	53	52	69	92	116
Kansas and Missouri	148	151	110	158	157	161
Kentucky—Eastern	960	955	741	981	996	764
Western	197	199	140	155	311	233
Maryland	37	37	28	41	59	35
Michigan	7	7	8	15	15	28
Montana	93	83	66	72	75	82
New Mexico	28	24	21	29	62	58
North and South Dakota	59	52	58	91	*f*44	*f*36
Ohio	680	681	394	550	582	817
Pennsylvania bituminous	2,698	2,692	2,466	2,711	3,021	3,149
Tennessee	141	146	113	124	114	118
Texas	0	9	10	16	24	26
Utah	94	96	65	95	109	121
Virginia	354	426	286	371	269	231
Washington	48	42	32	38	44	68
West Virginia—Southern *a*	2,303	2,300	1,835	2,301	2,260	1,488
Northern *b*	878	824	573	744	846	805
Wyoming	152	165	128	142	169	184
Other Western States *c*	3	3	1	1	*f*6	*f*4
Total bituminous coal	10,910	11,110	8,810	10,661	11,625	11,310
Pennsylvania anthracite *d*	1,224	1,233	1,295	1,149	1,822	1,968
Total, all coal	12,134	12,343	10,105	11,810	13,447	13,278

a Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason, and Clay counties. *b* Rest of State, including the Panhandle District and Grant, Mineral, and Tucker counties. *c* Includes Arizona, California, Idaho, Nevada, and Oregon. *d* Data for Pennsylvania anthracite from published records of the Bureau of Mines. *e* Average weekly rate for entire month *f* Alaska, Georgia, North Carolina, and South Dakota included with "other Western States." * Less than 1,000 tons. *r* Revised.

ESTIMATED PRODUCTION OF COAL, BY STATES, IN SEPTEMBER, WITH TOTAL OUTPUT FOR FIRST NINE MONTHS OF 1941, 1940, AND 1937
(In Thousands of Net Tons)

(Figures are preliminary estimates based on railroad carloadings and river shipments of coal and beehive coke, supplemented by direct reports from a number of mining companies, local coal operators' associations, and detailed monthly production statistics compiled by the State Mine Departments of Colorado, Illinois, Pennsylvania, Washington, and West Virginia. In making the estimates, allowance is made for commercial truck shipments, local sales, and colliery fuel, and for small trucking mines producing over 1,000 tons a year.

The estimates here given are based upon the latest information available, and differ in some cases from the current figures previously published in the Weekly Coal Report.)

State	September, 1941				Calendar year to the end of September		
	Net tons	% of total	Aug. 1941	Sept. 1940	1941	1940	1937
Alaska	14	.03	12	12	129	104	97
Alabama	1,264	2.70	1,438	1,160	11,167	11,212	9,133
Arkansas and Oklahoma	450	.96	388	344	2.238	2,098	1,892
Colorado	666	1.42	486	560	4,700	4,397	4,899
Georgia and N. Car.	3	.01	3	2	28	22	6
Illinois	4,658	9.94	4,545	3,995	38,392	35,370	36,024
Indiana	2,018	4.30	1,897	1,542	15,769	13,361	12,489
Iowa	194	.41	148	245	1,695	2,063	2,459
Kansas and Missouri	636	1.36	607	552	5,342	4,759	4,813
Kentucky:							
Eastern	4,083	8.71	3,900	3,284	30,170	30,300	28,574
Western	886	1.89	900	712	8,683	6,411	5,958
Maryland	168	.36	156	105	1,260	1,086	1,140
Michigan	30	.06	28	38	265	313	375
Montana	314	.67	258	218	2,258	1,998	2,001
New Mexico	97	.21	84	79	840	785	1,305
North and So. Dakota	186	.40	105	142	1,403	1,273	1,392
Ohio	2,930	6.25	2,774	1,857	20,731	16,682	18,631
Pennsylvania bituminous	11,150	23.78	11,442	9,944	88,889	81,622	86,020
Tennessee	620	1,32	598	477	4,842	4,570	3,814
Texas	27	.06	31	41	275	540	670
Utah	450	.96	382	368	2,688	2,322	2,652
Virginia	1,712	3,65	1,675	1,260	12,885	11,265	10,164
Washington	176	.37	149	150	1,322	1,171	1,460
West Virginia:							
Southern (*a*)	9,798	20.90	9,896	8,371	74,210	72,235	67,960
Northern (*b*)	3,689	7.87	3,596	2,683	27,181	23,279	22,276
Wyoming	659	1.41	525	506	4,425	3,892	4,091
Other West. States (*c*)	2	---	3	3	21	9	10
Total bituminous coal	46,880	100.0	46,026	38,650	361,808	333,133	330,305
Penn. antharcite (*d*)	5,138	---	5,246	4,172	41,016	38,316	37,810
Total, All Coal	52,018	---	51,272	42,822	402,824	371,449	368,115

(*a*) Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason, and Clay counties. (*b*) Rest of State, including the Panhandle District and Grant, Mineral, and Tucker counties. (*c*) Includes Arizona, California, Idaho, Nevada, and Oregon. (*d*) Data for Pennsylvania anthracite from published records of the Bureau of Mines.

Trading On New York Exchanges

The Securities and Exchange Commission made public on Nov. 10 figures showing the daily volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended Oct. 25, 1941, continuing a series of current figures being published by the Commission. Short sales are shown separately from other sales in these figures, the Commission explained.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended Oct. 25 (in round-lot transactions) totaled 541,075 shares, which amount was 15.29% of total transactions on the Exchange of 3,447,230 shares. This compares with member trading during the previous week ended Oct. 18 of 428,165 shares or 13.82% of total trading of 2,895,630 shares. On the New York Curb Exchange, member trading during the week ended Oct. 25 amounted to 94,505 shares, or 14.60% of the total volume on that Exchange of 586,545 shares; during the preceding week trading for the account of Curb members of 78,305 shares was 13.57% of total trading of 531,190 shares.

The Commission made available the following data for the week ended Oct. 25:

The data published are based upon weekly reports filed with the New York Stock Exchange and the New York Curb Exchange by their respective members. These reports are classified as follows:

	N. Y. Stock Exchange	N. Y. Curb Exchange
Total Number of Reports Received	1,056	769
1. Reports showing transactions as specialists	187	95
2. Reports showing other transactions initiated on the floor	183	31
3. Reports showing other transactions initiated off the floor	194	78
4. Reports showing no transactions	586	572

Note—On the New York Curb Exchange, odd-lot transactions are handled solely by specialists in the stocks in which they are registered and the round-lot transactions of specialists resulting from such odd-lot transactions are not segregated from the specialists' other round-lot trades. On the New York Stock Exchange, on the other hand, all but a fraction of the odd-lot transactions are effected by dealers engaged solely in the odd-lot business. As a result, the round-lot transactions of specialists in stocks in which they are registered are not directly comparable on the two exchanges.

The number of reports in the various classifications may total more than the number of reports received because a single report may carry entries in more than one classification.

Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members* (Shares)
Week Ended Oct. 25, 1941

	Total For Week	Per Cent a
A. Total Round-Lot Sales		
Short sales	114,150	
Other sales b	3,333,080	
Total sales	3,447,230	
B. Round-Lot Transactions for the Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists		
1. Transactions of specialists in stocks in which they are registered		
Total purchases	273,650	
Short sales	46,950	
Other sales b	186,100	
Total sales	233,050	7.35
2. Other transactions initiated on the floor		
Total purchases	149,320	
Short sales	28,000	
Other sales b	170,890	
Total sales	198,890	5.05
3. Other transactions initiated off the floor		
Total purchases	90,175	
Short sales	8,450	
Other sales b	100,685	
Total sales	109,135	2.89
4. Total		
Total purchases	513,145	
Short sales	83,400	
Other sales b	457,675	
Total sales	541,075	15.29

Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members* (Shares)
Week Ended Oct. 25, 1941

	Total For Week	Per Cent a
A. Total Round-Lot Sales		
Short sales	6,385	
Other sales b	580,160	
Total sales	586,545	
B. Round-Lot Transactions for the Account of Members		
1. Transactions of specialists in stocks in which they are registered		
Total purchases	42,115	
Short sales	3,250	
Other sales b	58,960	
Total sales	62,210	8.89
2. Other transactions initiated on the floor		
Total purchases	13,225	
Short sales	950	
Other sales b	10,040	
Total sales	10,990	2.06
3. Other transactions initiated off the floor		
Total purchases	21,445	
Short sales	500	
Other sales b	20,805	
Total sales	21,305	3.65
4. Total		
Total purchases	76,785	
Short sales	4,700	
Other sales b	89,805	
Total sales	94,505	14.60
C. Odd-Lot Transactions for the Account of Specialists		
Customers' short sales	0	
Customers' other sales c	43,994	
Total purchases	43,994	
Total sales	21,579	

* The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.

a Shares in members' transactions as per cent of twice total round-lot volume. In calculating these percentages, the total members' transactions is compared with twice the total round-lot volume on the Exchange for the reason that the total of members' transactions includes both purchases and sales, while the Exchange volume includes only sales.

b Round-lot short sales which are exempted from restriction by the Commission rules are included with "other sales."

c Sales marked "short exempt" are included with "other sales."

Petroleum And Its Products

(Continued from page 1028)

unless the industry cooperates—particularly in cutting down waste—Government control is the next logical step. Mr. Ickes cited the cases of Illinois and California, neither of which have oil production control laws satisfactory in the eyes of the Federal Petroleum Coordinator, as two of the factors which might force Government control of the industry to end the wasteful practices which he holds are existent in crude production in these two States.

Mr. Ickes was introduced by William B. Boyd, Jr., President of the American Petroleum Industry, who said that the industry was ready and willing to work but wanted no Government control, in pledging "the utmost measure of support and cooperation which appropriately and lawfully can be given in every effort of our Government to insure the national defense." Mr. Boyd also praised the industry's record during World War No. 1 and significantly remarked that "the job was so successfully done that the petroleum industry emerged from the war in full possession of all its oil wells, all its plants and all its facilities."

Wasteful practices in the petroleum industry will bring some measure of control, "probably not during my tenure of public office," but surely and inevitably, unless "intemperate exploitation" is prevented and producers exercise patriotic self-control, Mr. Ickes stated. In explaining that he lacked statutory powers possessed by the war-time director of the oil division of the United States Fuel Administration, Mr. Ickes said: "I hope that it will not be necessary for me to ask for them in order to carry out my responsibilities as petroleum coordinator."

The possibility of curtailed civilian oil supplies was revived by Deputy Petroleum Coordinator Ralph K. Davies who told the A. P. I. Convention that military authorities had asked if daily average production of crude oil could be lifted to 5,000,000 from the current all-time high of approximately 4,100,000 barrels daily. In an earlier speech, Representative Cole had indicated the possibility that demand might reach the 5,000,000-barrel level by mid-1943 but had not indicated these requirements would cause any shortage. Mr. Davies did not name his military source in his talk. Pointing out that production of 5,000,000 barrels daily from existing wells might cause some waste, he said he favored curtailment of consumption over possible inefficient production methods.

A definite trend toward small-diameter drilling in the petroleum industry has resulted from the enforced curtailment of oil production and the necessity for lowering costs and increasing efficiency, according to a survey of 2,300 oil wells in all sections of the United States by I. W. Alcorn, of the Pure Oil Co., and J. U. Teague, of Hogg Oil Co., the oilmen at the 22nd annual meeting of the American Petroleum Institute were told. The report indicated that the majority of small-diameter wells are being drilled with an 8¾-inch hole in which a 5½-inch casing is set. The reelection of William B. Boyd, Jr., as President of the Institute was followed by the abolition of the post of Executive Vice-President, which Mr. Boyd had held previously to his election as Acting President following the death of the late Axtell J. Byles.

Stimulated by a sharp expansion of production in California, daily average crude oil production during the initial week of November climbed 25,900 barrels to 4,096,100 barrels, according to the mid-week report of the American Petroleum Institute which pointed out that this figure was 26,100 barrels above the Bureau of Mines estimated market demand level for the current month. California production was up 32,900 barrels, with Louisiana and Texas also reporting increased output. Oklahoma showed the broadest decline, production there easing nearly 15,000 barrels. Inventories of United States and imported crude oil were up 1,079,000 barrels during the final week of October, the Bureau of Mines reported this week, totaling 243,340,000 barrels. Domestic crude stocks were up 892,000 barrels, foreign crude up 187,000 barrels.

Following a summons to the Department of State to hear a personal appeal from Secretary Hull for settlement of their problems with Mexico, American oil men have urged the State Department to announce settlement of the agrarian and general claims disputes with Mexico, and to leave the fight over the expropriated oil properties to be settled at a later date. The oil companies resent the fact that through the insistence upon all overall settlement, they are put in the light of interfering with vital hemisphere defense plans. The Mexican Government, fully as aware of this angle, is reported insisting upon any overall settlement or none at all.

Nov. 6—North Texas crude prices were lifted 7 cents a barrel to $1.25 for top gravity with Sinclair leading the advance.

Nov. 11—The 7-cent a barrel increase in North Texas crude prices was revoked by all companies.

Prices of Typical Crude per Barrel At Wells

(All gravities where A P. I. degrees are not shown)

Bradford, Pa.	$2.75
Corning, Pa.	1.31
Eastern Illinois	1.22
Illinois Basin	1.37
Mid-Contin't, Okla., 40 and above	1.25
Smackover, Heavy	0.83
Rodessa, Ark., 40 and above	1.20
East Texas, Texas, 40 and above	1.25
Kettleman Hills, 37.9 and over	1.29
Pecos County, Texas	0.95
Lance Creek, Wyo.	1.12
Signal Hill, 30.9 and over	1.23

Refined Products

Not only possible gasoline shortages but also lower grades of gasoline may result from the war-engendered shifts in the petroleum industry to affect the Nation's motorists, Dr. John W. Frey, Deputy Petroleum Coordinator, told members of the American Petroleum Institute at their 22nd annual convention in San Francisco last week. Lubricants also face new problems because of the heavy war demands for this type of refined products, Dr. Frey pointed out.

The sharply higher production of aviation gasoline will mean serious inroads into supplies of butane—the product that makes gasoline more volatile, helping quick starting of motors, he pointed out. The necessity for butane, Dr. Frey continued, may mean that so-called bottle gas distributors will have to replace butane with propane, affecting households using the tanked gas for heating and cooking.

Aviation gasoline will take more tetraethyl lead, and lead already is scarce, he pointed out. Army equipment requires premium grade gasoline, and when military needs are met, there will not be enough left to keep up the octane ratings of motor fuels to be sold to the civilian motorist. Pennsylvania lubricating oil marketers, Dr. Frey forecast, may have a hard time main-

(Continued on page 1039)

October Engineering Construction 37% Below September—Smaller Fed. Awards Responsible

Engineering construction awards for the five weeks of October, $406,332,000, average $81,266,000 per week. This is 37% below the average for the four weeks of September, and 42% under the average for the five weeks of October, 1940. The decline in the volume of federal work, 56% below a month ago, and 42% under a year ago, is the primary reason for the decrease from last month and last year according to an announcement issued by "Engineering News-Record" Nov. 5.

Private awards, on the weekly average basis, are 3½% higher than a month ago, but 59% lower than a year ago. Public construction, reflecting the decrease in federal work, is 43½% below last month, and 34% under last year. State and municipal awards top their September values by 14%, but fall 14% from the total for October, 1940.

Values of awards for the three months are:

	October, 1940 (five weeks)	September, 1941 (four weeks)	October, 1941 (five weeks)
Total construction	$702,842,000	$514,251,000	$406,332,000
Private construction	229,477,000	73,196,000	94,760,000
Public construction	473,365,000	441,055,000	311,572,000
State and municipal	129,612,000	77,886,000	111,214,000
Federal	343,753,000	363,169,000	200,358,000

The October award total brings the 1941 construction volume for the 10-month period to $5,250,210,000, a 64% increase over the figure for the corresponding ten months last year, and 31½% over the total for the entire year 1940. Private awards, $1,061,698,000, top the 10-month 1940 total by 11%; and public construction, $4,188,512,000, is 86% higher, due to the 196% gain in federal work.

October weekly averages in the various classes of construction work compared with those for the preceding month show gains in commercial building and large-scale private housing, 6%; waterworks, 20%; sewerage, 11%; and earthwork and drainage, 66%. Losses are in streets and roads, 13%; public buildings, 60%; industrial buildings, 3%; bridges, 17%; and unclassified construction, 2%.

Comparisons of current averages with those for the corresponding month last year reveal increases in waterworks construction, 25%; and earthwork and drainage, 109%. Decreases are reported in streets and roads, 23%; public buildings, 44%; industrial buildings, 65%; commercial building and large-scale private housing, 35%; bridges, 26%; sewerage, 34%; and unclassified construction, 37%.

Geographically, the Middle Atlantic states top their last month's volume by 67%, and are the only section to gain, either over a month ago or over the corresponding 1940 month.

New Capital

October new construction capital totals $228,329,000, a 67% decrease from the volume reported for October, 1940. The month's new financing is made up of $40,697,000 in state and municipal bond sales, $10,302,000 in corporate security issues, $175,730,000 in RFC loans for industrial plant expansion, and $1,600,000 in RFC loans for public improvements.

New construction financing for the year to date, $6,089,206,000, exceeds the total for the 10 months last year by 72%. Of the new capital total, private investment accounts for $707,098,000, a 9% increase over a year ago; federal funds for non-federal work, $555,990,000, down 8%; and federal appropriations for federal construction, $4,826,118,000, up 112%.

Bond Prices Firm

Without making any great advances on the average, the bond market has nevertheless shown distinct signs of strength in all groups this week. The Aaa's stand at their high of last January and the Baa's pushed up fractionally to a new 1941 high. Treasury bonds have remained at the year's highest levels.

Following the announcement that railroad labor had rejected the wage proposal of the President's board, the railroad bond market has been unsettled. High-grade rail issues have been fractionally lower but have displayed a firm undertone in the face of the behavior of the speculative rail issues. Atchison, Topeka & Santa Fe gen. 4s, 1995, at 109¼, were off ¼. Medium-grade and speculative rail issues declined. New York Central 4½, 2013, were one lower at 48⅜; Illinois Central 4¾s, 1966, dropped 1½, to 40. Missouri Pacific issues have been particularly active upon announcement of the management's objection to the reorganization plan because of the present level of taxes.

High-grade and investment quality issues in the public utility group have not changed noticably, although advances generally have exceeded declines. Among lower grades weakness prevailed with Associated Electric 4½s, 1953, Electric Power & Light 5s, 2030, New England Gas & Electric 5s, 1947, and Standard Gas & Electric 6s, 1957, prominent in the movement.

Mixed fractional changes have been the rule among industrial bonds but a few of the lower-grade issues gained a point or more. The latter include the Marion Steam Shovel 6s, 1947, Manati Sugar 4s, 1957, (the Francisco Sugar 6s, 1956, lost a fraction), and United Stock Yards 4¼s, 1951. Meat packing company obligations have shown fractional gains and large fractional gains were registered by the Childs Company 5s 1943, and United Drug 5s, 1953. On the down side, the Curtis Publishing Company 3s, 1955, lost 2¼ points at 95.

Argentine bonds have continued in good demand under the added stimulus of successful internal consolidation and gains have again been notable in the issues of the Province of Buenos Aires and Santa Fe. Mendoza 4s invited some profit taking and sold off several points. Among Brazilian issues the 8s, 1941, touched a new high at 26¼ and Minas Geraes 6½s and Sao Paulo issues continued firm except for the Coffee Stabilization 7s, which declined 1¼ points. Japanese government issues broke sharply as did some of the German industrial issues which had not participated in the recent downward adjustment. Strength in Norwegian issues contrasted with softness in Danish loans.

Moody's computed bond prices and bond yield averages are given in the following tables:

MOODY'S BOND PRICES†

(Based on Average Yields)

1941 Daily Averages	U. S. Govt. Bonds	Avge. Corporate *	Corporate by Ratings * Aaa	Aa	A	Baa	Corporate by Groups * R. R.	P. U.	Indus.
Nov. 11				Stock Exchange Closed					
10	120.02	108.34	118.60	115.82	109.60	92.06	97.62	112.37	116.22
8	120.01	108.34	118.60	116.02	109.60	92.20	97.62	112.56	116.22
7	120.04	108.34	118.60	116.02	109.60	92.20	97.78	112.37	116.22
6	120.04	108.52	118.60	115.82	109.60	92.50	97.78	112.37	116.41
5	120.04	108.34	118.60	115.82	109.60	92.35	97.62	112.37	116.41
4				Stock Exchange Closed					
3	120.04	108.34	118.60	115.82	109.42	92.06	97.47	112.19	116.22
1	120.04	108.16	118.40	115.82	109.42	91.91	97.47	112.19	116.02
Oct. 31	120.03	108.16	118.40	115.82	109.42	92.06	97.47	112.19	116.02
30	120.05	108.16	118.40	115.82	109.42	91.77	97.31	112.19	116.02
29	119.98	108.16	118.40	115.82	109.42	91.77	97.31	112.19	116.22
24	119.43	108.16	118.40	115.63	109.42	92.06	97.47	112.19	116.02
17	119.23	107.98	118.40	115.43	109.06	91.77	97.00	112.00	116.02
10	119.16	107.98	118.20	115.24	109.06	91.91	97.16	112.00	116.02
3	119.21	107.98	118.40	115.43	109.06	91.77	97.00	112.00	116.02
Sept 24	118.95	107.44	118.00	114.85	108.70	91.19	96.69	111.81	115.43
17	118.82	107.62	118.20	114.66	108.70	91.48	96.69	111.62	115.43
12	119.02	107.62	118.00	114.66	108.70	91.62	97.00	111.81	115.24
5	119.13	107.80	118.20	114.85	108.88	95.06	97.31	112.00	115.24
Aug. 29	119.14	107.80	118.40	114.85	108.88	91.77	97.16	111.81	115.43
22	118.78	107.62	118.00	114.66	108.70	91.77	97.16	112.00	115.04
15	118.90	107.80	118.00	115.04	108.70	91.91	97.31	112.00	115.04
8	119.20	107.98	118.20	115.24	108.70	92.20	97.47	112.00	115.24
1	119.56	107.80	118.20	115.24	108.52	92.06	97.47	112.00	115.24
July 25	119.55	107.80	118.00	115.24	108.52	92.06	97.47	112.00	115.04
18	119.47	107.62	118.20	115.04	108.34	91.91	97.46	112.00	115.04
11	119.46	107.62	118.20	115.04	108.16	91.91	97.16	111.81	115.04
3	119.55	107.44	118.00	114.66	107.98	91.77	97.00	111.62	114.85
June 27	119.45	107.44	118.00	114.66	107.80	91.77	97.16	114.44	114.66
20	119.02	107.09	117.80	114.46	107.62	91.48	97.00	111.44	114.27
13	118.97	106.92	117.60	114.08	107.44	91.48	97.00	111.25	113.89
6	118.81	106.74	117.20	113.70	107.27	91.19	96.69	110.88	113.31
May 29	118.71	106.39	116.61	113.31	107.09	91.05	96.69	110.70	112.75
23	118.35	106.39	116.80	113.50	106.92	91.19	96.69	110.70	112.93
16	118.52	106.39	116.61	113.31	106.92	91.34	96.85	110.52	112.75
9	118.45	106.56	116.80	113.12	106.92	91.62	97.00	110.52	112.93
2	118.66	106.39	117.00	112.93	106.74	91.34	96.85	110.52	112.75
Apr. 25	118.62	106.21	116.61	112.75	106.56	91.19	96.69	110.34	112.19
18	118.28	105.86	116.41	112.56	106.39	90.91	96.54	110.15	112.00
10	117.36	105.69	116.41	112.19	106.21	90.77	96.54	109.79	111.81
4	117.55	106.04	116.80	112.37	106.21	91.48	97.00	109.97	112.19
Mar. 28	117.80	105.86	116.41	112.19	106.04	91.05	96.54	109.79	111.81
21	117.85	106.21	117.00	112.93	106.56	90.77	96.54	110.15	112.75
14	117.77	106.21	117.40	113.31	106.56	90.48	96.54	109.97	113.31
7	116.90	106.04	117.40	113.31	106.39	90.20	96.23	109.97	113.12
Feb. 28	116.93	105.86	117.20	112.93	106.21	89.78	95.92	109.79	112.75
21	116.06	105.52	117.00	112.75	106.04	89.52	95.62	109.60	112.75
14	116.24	105.86	117.60	113.12	106.21	89.64	95.92	109.60	113.12
7	116.52	106.21	117.80	113.31	106.39	90.20	95.54	109.79	113.31
Jan. 31	117.14	106.39	118.00	113.70	106.39	90.48	96.85	109.79	113.70
24	117.64	106.56	117.60	113.89	106.56	90.77	97.16	109.97	113.50
17	118.06	106.56	118.20	113.89	106.56	90.48	96.69	110.15	113.89
10	118.03	106.56	118.20	114.27	106.56	90.34	96.69	110.15	114.02
3	118.65	106.39	118.40	114.46	106.39	89.78	95.92	110.15	114.46
High 1941	120.05	108.52	118.60	116.02	109.60	92.50	97.78	112.56	116.41
Low 1941	115.89	105.52	116.22	112.00	106.04	89.23	95.62	109.42	111.62
High 1940	119.63	106.74	119.00	115.04	106.74	89.92	96.07	110.88	114.85
Low 1940	113.02	99.04	112.19	109.60	99.52	79.37	86.38	105.52	106.56
1 Yr. Ago Nov. 9, '41	113.35	105.69	117.60	113.70	105.52	89.09	94.86	110.15	113.12
2 Yrs. Ago Nov. 10 '39	112.94	100.65	112.93	109.97	99.36	83.79	89.37	105.34	108.52

MOODY'S BOND YIELD AVERAGES†

(Based on Individual Closing Prices)

1941 Daily Average	Avge. Corporate	Corporate by Ratings Aaa	Aa	A	Baa	Corporate by Groups R. R.	P. U.	Indus.
Nov. 11			Stock Exchange Closed					
10	3.26	2.72	2.86	3.19	4.27	3.90	3.04	2.84
8	3.26	2.72	2.85	3.19	4.26	3.90	3.03	2.84
7	3.26	2.72	2.85	3.19	4.26	3.89	3.04	2.84
6	3.25	2.72	2.86	3.19	4.24	3.89	3.04	2.83
5	3.26	2.72	2.86	3.19	4.25	3.90	3.04	2.83
4			Stock Exchange Closed					
3	3.26	2.72	2.86	3.20	4.27	3.91	3.05	2.84
1	3.27	2.73	2.86	3.20	4.28	3.91	3.05	2.85
Oct. 31	3.27	2.73	2.86	3.20	4.27	3.91	3.05	2.85
30	3.27	2.73	2.86	3.20	4.29	3.92	3.05	2.85
29	3.27	2.73	2.86	3.20	4.29	3.92	3.05	2.84
24	3.27	2.73	2.87	3.20	4.27	3.91	3.05	2.85
17	3.28	2.73	2.88	3.22	4.29	3.94	3.06	2.85
10	3.28	2.74	2.89	3.22	4.28	3.93	3.06	2.85
3	3.28	2.73	2.88	3.22	4.29	3.94	3.06	2.85
Sept 24	3.31	2.75	2.91	3.24	4.33	3.96	3.07	2.88
17	3.30	2.74	2.92	3.24	4.31	3.96	3.08	2.88
12	3.30	2.75	2.92	3.24	4.30	3.94	3.07	2.89
5	3.29	2.74	2.91	3.23	4.27	3.92	3.06	2.89
Aug. 29	3.29	2.73	2.91	3.23	4.29	3.93	3.06	2.88
22	3.30	2.75	2.92	3.24	4.29	3.93	3.06	2.90
15	3.29	2.75	2.90	3.24	4.28	3.92	3.06	2.90
8	3.28	2.74	2.89	3.24	4.26	3.91	3.06	2.89
1	3.29	2.74	2.89	3.25	4.27	3.91	3.06	2.89
July 25	3.29	2.75	2.89	3.25	4.27	3.91	3.06	2.90
18	3.30	2.74	2.90	3.26	4.28	3.93	3.06	2.90
11	3.30	2.74	2.90	3.27	4.28	3.93	3.07	2.90
3	3.31	2.75	2.92	3.28	4.29	3.94	3.08	2.91
June 27	3.31	2.75	2.92	3.29	4.29	3.93	3.09	2.92
20	3.33	2.76	2.93	3.30	4.31	3.94	3.09	2.94
13	3.34	2.77	2.95	3.31	4.31	3.94	3.10	2.98
6	3.35	2.79	2.97	3.32	4.33	3.96	3.12	2.99
May 29	3.37	2.82	2.99	3.33	4.34	3.96	3.13	3.02
23	3.37	2.81	2.98	3.34	4.33	3.96	3.13	3.01
16	3.37	2.82	2.99	3.34	4.32	3.95	3.14	3.02
9	3.36	2.81	3.00	3.34	4.30	3.94	3.14	3.01
2	3.37	2.80	3.01	3.35	4.32	3.95	3.14	3.02
Apr. 25	3.38	2.82	3.02	3.36	4.33	3.96	3.15	3.05
18	3.40	2.83	3.03	3.37	4.35	3.97	3.16	3.06
10	3.41	2.83	3.05	3.38	4.36	3.97	3.18	3.07
4	3.39	2.81	3.04	3.38	4.31	3.94	3.17	3.05
Mar. 28	3.40	2.83	3.05	3.39	4.34	3.97	3.18	3.07
21	3.38	2.80	3.01	3.36	4.36	3.97	3.46	3.02
14	3.38	2.78	2.99	3.36	4.38	3.97	3.17	2.99
7	3.39	2.78	2.99	3.37	4.40	3.99	3.17	3.00
Feb. 28	3.40	2.79	3.01	3.38	4.43	4.01	3.18	3.02
21	3.42	2.80	3.02	3.39	4.45	4.03	3.19	3.02
14	3.40	2.77	3.00	3.38	4.44	4.01	3.19	3.00
7	3.38	2.76	2.99	3.37	4.40	3.97	3.18	2.99
Jan. 31	3.37	2.75	2.97	3.37	4.37	3.95	3.18	2.97
24	3.36	2.77	2.96	3.36	4.36	3.93	3.17	2.98
17	3.36	2.74	2.96	3.36	4.38	3.96	3.16	2.96
10	3.36	2.74	2.94	3.36	4.39	3.96	3.16	2.95
3	3.37	2.73	2.93	3.37	4.43	4.01	3.16	2.93
High 1941	3.42	2.84	3.06	3.39	4.47	4.03	3.20	3.08
Low 1941	3.25	2.72	2.85	3.19	4.24	3.89	3.03	2.83
High 1940	3.81	3.06	3.19	3.78	5.24	4.68	3.42	3.36
Low 1940	3.35	2.70	2.90	3.35	4.42	4.00	3.12	2.91
1 Year Ago— Nov. 9, '40	3.41	2.77	2.97	3.42	4.48	4.08	3.16	3.00
2 Years Ago— Nov. 10 '39	3.71	3.01	3.17	3.79	4.88	4.46	3.43	3.25

* These prices are computed from average yields on the basis of one "typical" bond (3¾% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages, the latter being the true picture of the bond market.

† The latest complete list of bonds used in computing these indexes was published in the issue of Oct. 2, 1941, page 409.

Steel Production At 97.5%—Mediation Board Denies Closed Shop In "Captive" Coal Mines

The "Iron Age" in its issue of Nov. 13 reported that in voting nine to two against the compulsory closed shop in steel company owned coal mines, The National Defense Mediation Board this week took a step which might mark one of the war's turning points by preventing major strikes threatening the national defense program. How strongly the administration is willing to stand behind the Board's action, in which two A. F. of L. members joined four employer representatives and three representatives of the public in preventing the forcing of the closed shop on the captive coal mines, remains to be seen.

Linked to the Mediation Board's decision is a long train of situations, one of these being in steel, where several weeks' calm is expected to end with the CIO convention Nov. 17 at Detroit. Demands for a steel wage increase and for the closed shop (the latter may be soft-pedaled in view of the Mediation Board's decision) are expected to be made following this convention, according to information given the "Iron Age."

High in importance among the week's industrial events was the Office of Production Management's all-day meeting Tuesday (Nov. 11) with representatives of more than 200 companies representing the entire steel industry. The meeting recalled the famous March, 1917, gathering of the iron and steel section of the War Industries Board and executives of the steel industry.

Steel ingot production for the industry is a half point lower this week to 97.5%, according to "Iron Age" estimates, the loss being due to various causes, including repairs, lack of pig rion and the ever-present shortage of scrap. In Birmingham, Ala., repairs reduced the rate 3.5 points to 95.5%. A one point decline to 90.5% in Eastern Pennsylvania was attributed to lack of scrap while lack of pig iron was a factor in a three-point drop to 97% in Southern Ohio. The "Iron Age" schedule of district steel operating rates also shows Pittsburgh down a point to 99%, Chicago up a point to 102, Youngstown unchanged at 96, Buffalo unchanged at 92.5 Wheeling unchanged at 94 and Detroit up 5.5 points to 109. Using its Board authority to direct shipments, the OPM has been briskly manipulating iron and steel scrap supplies to keep defense production going.

While the steps being taken to revise the often-ineffective workings of the priority system in steel still are not yet clear to most plant managers, the fear of too-rapid changes in priorities has not disappeared. An overnight change to a direct allocation system for steel, with the Government scheduling production and deliveries, might result in a slowing down, rather than a speeding-up, of the defense program.

Allocations made so far on a small scale have already disrupted steel mill schedules and, in many instances, some orders handed the mills by the Army and Navy should have been filled through other sources rather than through direct mill ordering.

How far the diversion of steel from the so-called civilian industries to defense industries has gone is shown in this issue of the "Iron Age" in a chart illustrating the distribution of steel by consuming industries. This chart represents distribution, as recently as this August, of the finished products of steel companies with more than 80% of United States capacity. The figures show roughly what the final breakdown of 1941 steel distribution will be. In August, for example, the automotive industry ranged eighth as a steel consumer against a ranking of first for all of 1940. It received 7.6% of the finished steel shipped against 9.9% for the first eight months of 1941, and 14.8% in 1940. Evidently, outbursts from its critics that the automobile industry is using up too much steel needed for national defense is on the way to being answered.

In contrast to the decline in automotive steel consumption, steel shipments to the shipbuilding industry rose from an average of 1.9% for 1940, and 2.8% in the first eight months of 1941, to 3.9% in August.

Exports of steel have followed an erratic course, with 11.1% going abroad in August, against an average of 9.3% for the first eight months of 1941, a 16.7% average in 1940 and a 6.4% average in 1939.

British requirements for steel in the first half of 1942 (covering semi-finished) are now expected to run to approximately 1,400,000 tons and allocation on this amount, more than half of which involves ingots and billets, is expected to be made soon. The British are expected to require, in addition to this tonnage, sheets, tin plate and other finished steel products in a volume which will lift total British steel requirements from the United States to near the level of the last half of 1941. Approximately 143,000 tons of shell steel, including 94,000 tons for Lend-Lease export, is being distributed to various steel companies and much larger tonnages are to be allocated in the months to come.

Incoming steel orders are running 15 to 20% below October, with non-defense customers dropping from the order books and new receivers of defense sub-contracts adding to the industry's backlog.

The American Iron and Steel Institute on Nov. 10 announced that telegraphic reports which it had received indicated that operating rate of steel companies having 91% of the steel capacity of the industry will be 96.6% of capacity for the week beginning Nov. 10, compared with 98.2% one week ago, 98.4% one month ago and 96.1% one year ago. This represents a decrease of 1.6 points or 1.6%, from the preceding week. Weekly indicated rates of steel operations since Nov. 4, 1940, follow:

1940—	
Nov 4	96.0%
Nov 11	96.1%
Nov 18	96.6%
Nov 25	96.6%
Dec 2	96.9%
Dec 9	96.0%
Dec 16	96.8%
Dec 23	80.8%
Dec 30	95.9%
1941—	
Jan 6	97.2%
Jan 13	98.5%
Jan 20	96.5%
Jan 27	97.1%
Feb 3	96.9%
Feb 10	97.1%
Feb 17	94.6%
Feb 24	96.3%
Mar 3	97.5%
Mar 10	98.8%
Mar 17	99.4%
Mar 24	99.8%
Mar 31	99.2%
Apr 7	99.3%
Apr 14	98.3%
Apr 21	96.0%
Apr 28	94.3%
May 5	96.8%
May 12	99.2%
May 19	99.9%
May 26	98.6%
Jun 2	99.2%
Jun 9	98.6%
Jun 16	99.0%
Jun 23	99.9%
Jun 30	91.8%
Jly 7	94.9%
Jly 14	95.2%
Jly 21	96.0%
Jly 28	97.6%
Aug 4	96.3%
Aug 11	95.6%
Aug 18	96.2%
Aug 25	96.5%
Sep 2	96.3%
Sep 8	96.9%
Sep 15	96.1%
Sep 22	96.8%
Sep 29	96.9%
Oct 6	98.1%
Oct 13	98.4%
Oct 20	97.8%
Oct 27	99.9%
Nov 3	98.2%
Nov 10	96.6%

"Steel" of Cleveland in its summary of the iron and steel markets on Nov. 10, stated:

With steel production consistently but a few points below theoretical capacity only necessity for periodical open-hearth furnace repair and inability to obtain sufficient scrap stand in the way of output above 100% of rated capacity, says "Steel".

New records are being set in iron ore and pig iron, thus providing a broad basis for steel production if the scrap situation can be bettered. The latter is the major factor and looms ominously as a threat to production during the next few months. Steelmaking furnaces recently shut down because of scrap shortage remain idle and others are expected to go out shortly. Government agencies are attempting nationwide organization to bring out all available supplies, particularly from homes and farms. Meanwhile, some relief is given by added pig iron tonnage from new or rehabilitated blast furnace stacks. As a whole the steel industry has little more than enough scrap for about 30 days production and receipts are far short of consumption.

While the labor situation contains implications of further interruption it is possible better counsels may prevail and strikes be avoided. At the moment the situation is quiet.

October pig iron production set two all-time records, the highest month on record and the highest total for the first ten months of any year. Output was 4,855,746 net tons, 2.8% above 4,721,337 tons in September, and 9.4% over 4,437,725 tons in October, 1940. Ten months output aggregated 46,191,610 tons, 21.7% greater than for the comparable months in 1940. Daily rate of output was 156,637 tons, 0.47% less than in September, being second highest daily rate in history. Daily average for ten months was by far the highest ever attained for a similar period.

Lake Superior iron ore shipments to Nov. 1 set a new record, a total of 71,224,580 gross tons being moved, which compared with the record full season total of 65,204,600 tons in 1929. Effect of interruption in the Sault Ste. Marie locks by a damaged bridge is seen in a decline of 465,063 tons in October. The month's total was 9,596,064 tons, compared with 10,061,127 tons in September. With more than a month of navigation still open the new season record will have wide margin over previous figures.

Wiremakers are suffering from lack of raw material, diversion of steel to other products limiting production of wire rods. Demand for wire products is heavy, much of it with high priority, but deliveries are slow, especially on material requiring much processing. Nails are increasingly scarce and stocks are at a low point.

Tin plate makers are running at capacity through the usually slack period following closing of the vegetable canning season. Some consumers whose needs were held back in favor of canners are now being supplied more fully and the large allocation for British colonies adds to backlogs. Little allocation has been necessary in this product but this condition is expected to change when supply of steel raw material is shortened in favor of other products.

Considerable interest attaches to recent arrival of 2,500 tons of ferromanganese from England, second installment of a 5,000-ton order. Cutting off of markets on the Continent is believed to have made it possible for England to ship the material here. This is the first arrival of ferro from abroad in a number of years. How England could spare the blast furnace capacity for its production in the face of pig iron needs for war purposes is difficult to understand.

Automobile production continues steady, output last week being 93,585 units, an increase of 706 over the 92,879 made in the previous week. This compares with 120,948 cars made in the corresponding week last year. The smaller current figure results from the reduced production allowed under government regulation.

Operations last week advanced 2 points to 97½% of capacity, on a gain of 9 points at Pittsburgh, rebound from the effects of a strike the preceding week, modified by several small declines at other points. Pittsburgh reacted to 99%; Detroit gained 4 points to 95 and St. Louis 15 points to 98%. Chicago lost 2½ points to 101%; Cincinnati, 4 points to 87½; Eastern Pennsylvania 1 point to 91; Cleveland 3 points to 94; Buffalo 2 points to 79; Youngstown 1 point to 97. Rates were unchanged at Birmingham, 95%; Wheeling, 95; New England 90.

Composites are unchanged: Finished steel, $56.73; semifinished steel, $36.00; steelmaking pig iron, $23.05; steelmaking scrap, $19.17.

THE "IRON AGE" COMPOSITE PRICES

Finished Steel

Nov. 10, 1941, 2.30467c. a Lb.

One week ago	2.30467c.
One month ago	2.30467c.
One year ago	2.30467c.

A weighted index based on steel bars, beams, tank plates, wire, rails, black pipe, hot and cold-rolled sheets and strip. These products represent 78% of the United States output.

	High		Low	
1941	2.30467c.	Sep 2	2.30467c.	Sep 2
1940	2.30467c.	Jan 2	2.24107c.	Apr 16
1939	2.35367c.	Jan 3	2.26689c.	May 16
1938	2.58414c.	Jan 4	2.27207c.	Oct 18
1937	2.58414c.	Mar 9	2.32263c.	Jan 4
1936	2.32263c.	Dec 28	2.05200c.	Mar 10
1935	2.07642c.	Oct 1	2.06492c.	Jan 8
1934	2.15367c.	Apr 24	1.95757c.	Jan 2
1933	1.95578c.	Oct 3	1.75836c.	May 2
1932	1.89196c.	Jly 5	1.83901c.	Mar 1
1931	1.99629c.	Jan 13	1.86586c.	Dec 29
1930	2.25488c.	Jan 7	1.97319c.	Dec 9
1929	2.31773c.	May 28	2.26498c.	Oct 29

Pig Iron

Nov. 10, 1941, $23.61 a Gross Ton

One week ago	$23.61
One month ago	23.61
One year ago	22.61

Based on averages for basic iron at Valley furnaces and foundry iron at Chicago, Philadelphia, Buffalo, Valley and Southern iron at Cincinnati.

	High		Low	
1941	$23.61	Mar 20	$23.45	Jan 2
1940	23.45	Dec 23	22.61	Jan 2
1939	$22.61	Sep 19	$20.61	Sep 12
1938	23.25	Jun 21	19.61	Jly 6
1937	23.25	Mar 9	20.25	Feb 16
1936	19.74	Nov 24	18.73	Aug 17
1935	18.84	Nov 5	17.83	May 14
1934	17.90	May 1	16.90	Jan 27
1933	16.90	Dec 5	13.56	Jan 3
1932	14.81	Jan 5	13.56	Dec 6
1931	15.90	Jan 6	14.79	Dec 15
1930	18.21	Jan 7	15.90	Dec 16
1929	18.71	May 14	18.21	Dec 17

Steel Scrap

Nov. 10, 1941, $19.17 a Gross Ton

One week ago	$19.17
One month ago	19.17
One year ago	20.67

Based on No. 1 heavy melting steel scrap quotations to consumers at Pittsburgh, Philadelphia, and Chicago.

	High		Low	
1941	$22.00	Jan 7	$19.17	Apr 10
1940	21.83	Dec 30	16.04	Apr 9
1939	22.50	Oct 3	14.08	May 16
1938	15.00	Nov 22	11.00	Jun 7
1937	21.92	Mar 30	12.92	Nov 10
1936	17.75	Dec 21	12.67	Jun 9
1935	13.42	Dec 10	10.33	Apr 29
1934	13.00	Mar 13	9.50	Sep 25
1933	12.25	Aug 8	6.75	Jan 3
1932	8.50	Jan 12	6.43	Jly 5
1931	11.33	Jan 6	8.50	Dec 29
1930	15.00	Feb 18	11.25	Dec 9
1929	17.58	Jan 29	14.08	Dec 3

On The Foreign Front

European Stock Markets

Small but persistent price advances are reported during recent trading on the principal European securities markets. The London Stock Exchange was fairly active, while leading Continental markets remained extremely quiet. War news was less of a factor than in some weeks, save for the growing participation by the United States, which aided the British exchange materially.

Advancing trends on the London Stock Exchange were occasioned by favorable reports from Prime Minister Winston Churchill and by such incidents as the $1,000,000,000 lend-lease loan by Mr. Roosevelt to Russia. Also important, however, were fresh rumors of advancing diamond prices and sizable textile exports from the United Kingdom.

Good buying came into the diamond mining and textile manufacturing stocks in London. The improvement was well maintained through dealings yesterday. Other industrial and mining shares gained some stimulation. Gilt-edged issues edged slightly higher, and even the foreign bond list reflected some selective inquiry.

Trading on the great Amsterdam market was dull in the weekly period ended last night, with small daily rises reported. The stocks of externally domiciled companies were still the favorites. Few reports were available of trading in Lyons, Paris and Berlin. On the French markets, however, heavy demand for stocks fails to bring out offerings, which appears to be a commentary on the inflation situation.

Far Eastern Showdown

That the United States soon may be plunged completely into a merged European and Far Eastern war has now been indicated plainly, with every likelihood that this country will be the catalytic agent fusing the distant conflicts. A showdown between Japan and the United States cannot be long delayed, if certain recent diplomatic measures have any meaning whatever. Nor is the prospect anything but grim, since a two-ocean war will be the all but inevitable outcome if neither Washington nor Tokio takes the course of moderation and peace.

The gravity of the position was emphasized successively, during the last few days, in Tokio, Washington and London. Japan suddenly dispatched to Washington, a week ago, her most persuasive diplomat, Saburo Kurusu, former envoy to Berlin, and no attempt was made either in Washington or Tokio to disguise the eleventh-hour nature of this mission. Mr. Kurusu, all too obviously, is charged with the task of altering the American policy toward the aggressions of his country in the Far East. That such aggressions are about to be widened and extended cannot be doubted, and our own Government is committed to counter action.

Japanese authorities apparently consider it to be a matter of national necessity to engage in another military adventure, either against Russia in the North, or the Dutch and British in the South. Tokio dispatches hint that Southern Asia and the great chain of Dutch islands will be the objective. This marks a change from the recent verbal threats against the Maritime Province of Siberia. Although the latest Japanese intimations may be intentionally misleading, it is equally possible that they reflect genuine intentions at Tokio. Oil and other vital war materials which Japan can obtain only in Southern Asia and the Netherlands East Indies probably are running short, making an extension of warfare the only alternative to a complete about-face.

The fierce national pride of the Japanese makes virtually impossible that turn toward peace and modification of the proclaimed aims in Eastern Asia which President Roosevelt clearly regards as the sine qua non for abandonment of the economic sanctions imposed against Japan by the United States, Great Britain and the Netherlands East Indies, under the President's leadership.

Mr. Kurusu is due to arrive in Washington at the end of this week, and his conversations will be portentous in the extreme. The desperate economic straits to which Japan has been reduced in recent months require alleviation, either through re-opening of trade with the United States, or efforts at conquest in Eastern Asia. Un-

(Continued on page 1033)

Revenue Freight Car Loadings During Week Ended Nov. 1 Amounted To 894,739 Cars

Loading of revenue freight for the week ended Nov. 1 totaled 894,739 cars, the Association of American Railroads announced on Nov. 6. The increase above the corresponding week in 1940 was 99,942 cars, or 12.6%, and above the same week in 1939 was 93,631 cars, or 11.7%.

Loading of revenue freight for the week of Nov. 1 decreased 18,866 cars, or 2.1% below the preceding week.

Miscellaneous freight loading totaled 401,244 cars, a decrease of 4,340 cars below the preceding week, but an increase of 57,741 cars above the corresponding week in 1940.

Loading of merchandise less than carload lot freight totaled 158,921 cars, a decrease of 907 cars below the preceding week, but an increase of 3,618 cars above the corresponding week in 1940.

Coal loading amounted to 162,303 cars, a decrease of 2,917 cars below the preceding week, but an increase of 36,998 cars above the corresponding week in 1940.

Grain and grain products loading totaled 35,852 cars, an increase of 769 cars above the preceding week, and an increase of 260 cars above the corresponding week in 1940. In the Western Districts alone, grain and grain products loading for the week of Nov. 1 totaled 21,851 cars, an increase of 865 cars above the preceding week, and an increase of 306 cars above the corresponding week in 1940.

Livestock loading amounted to 19,821 cars, a decrease of 557 cars below the preceding week, and a decrease of nine cars below the corresponding week in 1940. In the Western Districts alone, loading of livestock for the week of Nov. 1 totaled 15,926 cars, a decrease of 707 cars below the preceding week, and a decrease of 168 cars blow the corresponding week in 1940.

Forest products loading totaled 44,472 cars, a decrease of 1,445 cars below the preceding week, but an increase of 3,600 cars above the corresponding week in 1940.

Ore loading amounted to 59,378 cars, a decrease of 9,077 cars below the preceding week and a decrease of 2,664 cars below the corresponding week in 1940.

Coke loading amounted to 12,748 cars, a decrease of 392 cars below the preceding week, but an increase of 398 cars above the corresponding week in 1940.

All districts reported increases compared with the corresponding weeks in 1940 and 1939.

	1941	1940	1939
4 Weeks of January	2,740,095	2,557,735	2,288,730
4 Weeks of February	2,824,188	2,488,879	2,282,866
5 Weeks of March	3,817,918	3,123,916	2,976,655
4 Weeks of April	2,793,563	2,495,212	2,225,188
5 Weeks of May	4,160,527	2,351,840	2,926,408
4 Weeks of June	3,510,137	2,896,953	2,563,953
4 Weeks of July	3,413,427	2,822,450	2,532,236
5 Weeks of August	4,464,458	3,717,933	3,387,672
4 Weeks of September	3,539,171	3,135,122	3,102,236
4 Weeks of October	3,657,882	3,269,476	3,355,701
Week of Nov. 1	894,739	794,797	801,108
Total	35,816,105	30,654,313	28,442,753

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Nov. 1, 1941. During this period 99 roads showed increases when compared with the same week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS
(NUMBER OF CARS)—WEEK ENDED NOV. 1

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
Eastern District—	1941	1940	1939	1941	1940
Ann Arbor	612	703	814	1,415	1,333
Bangor & Aroostook	1,502	1,101	1,146	273	239
Boston & Maine	9,062	8,044	8,429	13,852	11,607
Chicago, Indianapolis & Louisville	1,732	1,366	1,806	2,421	2,403
Central Indiana	29	17	26	66	50
Central Vermont	1,618	1,382	1,370	2,470	2,183
Delaware & Hudson	6,573	6,135	4,826	11,170	8,450
Delaware, Lackawanna & Western	9,331	9,111	9,575	9,131	7,210
Detroit & Mackinac	592	610	576	144	102
Detroit, Toledo & Ironton	2,511	2,758	2,595	1,315	1,169
Detroit & Toledo Shore Line	381	473	334	4,170	2,928
Erie	15,760	14,018	14,073	15,493	14,234
Grand Trunk Western	6,014	5,810	4,871	9,369	7,970
Lehigh & Hudson River	168	171	186	2,569	2,282
Lehigh & New England	1,941	1,975	1,618	1,554	1,379
Lehigh Valley	9,328	9,132	8,654	10,249	7,667
Maine Central	3,097	2,837	2,805	3,103	2,390
Monongahela	6,419	4,043	5.764	406	231
Montour	2,332	1,974	2,219	80	35
New York Central Lines	55,268	47,501	46,190	51,775	41,872
N. Y., N. H. & Hartford	13,220	10,771	10,428	16,735	14,578
New York, Ontario & Western	1,137	1,056	1,082	2,465	1,891
N. Y., Chicago & St. Louis	7,008	6,399	6,469	13,653	11,281
N. Y., Susquehanna & Western	529	417	451	1,670	1,681
Pittsburgh & Lake Erie	9,331	7,866	7,877	9,224	7,192
Pere Marquette	7,395	6,822	6,882	6,565	5,871
Pittsburgh & Shawmut	681	471	736	26	59
Pittsburgh, Shawmut & North	423	465	382	353	217
Pittsburgh & West Virginia	1,187	644	1,424	2,722	1,863
Rutland	626	628	674	1,132	1,038
Wabash	6,277	5,683	5,911	10,653	9,396
Wheeling & Lake Erie	5,609	4,383	4,939	4,322	3,553
Total	187,693	164,766	165,132	210,545	174,354
Allegheny District—					
Akron, Canton & Youngstown	666	536	492	1,059	856
Baltimore & Ohio	42,170	36,280	36,708	23,833	19,153
Bessemer & Lake Erie	5,016	6,724	6,123	1,990	2,305
Buffalo Creek & Gauley	274	297	310	3	7
Cambria & Indiana	1,996	1,709	1,580	21	10
Central R.R. of New Jersey	8,265	7,331	6,560	16,160	13,210
Cornwall	661	112	624	49	50
Cumberland & Pennsylvania	247	287	310	29	37
Ligonier Valley	115	132	129	51	37
Long Island	880	798	758	2,957	2,845
Penn-Reading Seashore Lines	1,926	1,515	1,433	1,767	1,551
Pennsylvania System	88,743	70,325	73,877	58,519	44,987
Reading Co.	16,707	15,463	14,000	24,201	18,937
Union (Pittsburgh)	20,181	19,079	18,118	5,430	6,324
Western Maryland	4,423	3,681	4,320	10,099	7,412
Total	192,271	164,269	165,342	146,168	117,721
Pocahontas District—					
Chesapeake & Ohio	30.057	23,042	28,814	14:049	11,105
Norfolk & Western	22,465	19,631	23,101	6.932	5,460
Virginian	4.705	3.888	4,483	2,308	1,465
Total	57,227	46,561	56.398	23.289	18,030
Southern District—	1941	* 1940	1939	1941	1940
Alabama, Tennessee & Northern	412	270	262	211	147
Atl. & W. P.—W. R.R. of Ala.	892	865	838	2,129	1,693
Atlanta, Birmingham & Coast	769	726	637	1,256	1,016
Atlantic Coast Line	11,585	10,024	9,637	7,216	6,366
Central of Georgia	4,728	4,230	4,153	4,100	3,768
Charleston & Western Carolina	485	443	417	1,674	1,310
Clinchfield	1,815	1,294	1,501	2,849	2,107
Columbus & Greenville	393	360	375	512	272
Durham & Southern	197	169	187	520	373
Florida East Coast	479	736	703	969	1,108
Gainsville Midland	36	33	39	100	120
Georgia	1,676	1,299	1,003	2,478	2,010
Georgia & Florida	469	309	317	856	462
Gulf, Mobile & Ohio	4,118	4,016	3,368	3,687	3,261
Illinois Central System	27,684	23,327	24,462	14,674	12,796
Louisville & Nashville	26,443	21,879	24,264	9,423	6,409
Macon, Dublin & Savannah	212	140	170	682	712
Mississippi Central	145	168	190	381	394
Nashville, Chattanooga & St. L.	3,874	3,359	3,081	3,844	3,347
Norfolk Southern	1,197	1,297	1,428	1,333	1,149
Piedmont Northern	521	458	464	1,658	1,154
Richmond Fred. & Potomac	468	380	408	6,233	4,728
Seaboard Air Line	10,577	10,240	8,965	7,114	5,673
Southern System	25,351	23,626	23,213	21,880	17.286
Tennessee Central	578	461	407	812	681
Winston-Salem Southbound	134	154	186	1,027	926
Total	125,238	110,263	110,775	97,618	79,268
Northwestern District—					
Chicago & North Western	22,158	20,872	20,279	11,446	11,156
Chicago Great Western	2,680	2,720	2,638	3,579	2,990
Chicago, Milw., St. P. & Pac.	22,985	20,764	21,254	9,112	8,018
Chicago, St. P., Minn. & Omaha	4,102	3,658	4,049	4,399	3,641
Duluth, Missabe & Iron Range	19,545	20,468	13,807	266	179
Duluth, South Shore & Atlantic	1,537	1,216	1,162	508	526
Elgin, Joliet & Eastern	10,127	9,475	8,574	9,196	7,872
Ft. Dodge, Des Moines & South	548	559	442	170	161
Great Northern	20,772	18,486	19,896	4,225	3,402
Green Bay & Western	691	688	686	764	746
Lake Superior & Ishpeming	2,543	3,781	3,509	62	69
Minneapolis & St. Louis	1,819	1,981	1,781	2,566	1,855
Minn., St. Paul & S. S. M.	8,038	6,827	7,489	2,880	2,770
Northern Pacific	13,752	12,265	12,607	4,482	3,821
Spokane International	205	254	207	316	231
Spokane, Portland & Seattle	2,704	2,082	1,825	2,314	1,844
Total	134,206	126,096	120,205	56,285	49,281
Central Western District—					
Atch. Top. & Santa Fe System	23,218	22,776	23,075	9,022	7,851
Alton	3,318	3,155	3,218	2,895	2,334
Bingham & Garfield	1,025	421	431	65	79
Chicago, Burlington & Quincy	19,625	17,558	18,155	11,636	9,842
Chicago & Illinois Midland	2,800	2,218	2,282	796	845
Chicago, Rock Island & Pacific	12,635	13,074	12,203	10,743	9,537
Chicago & Eastern Illinois	2,937	2,604	2,822	3,147	2,819
Colorado & Southern	1,519	1,354	1,504	1,829	1,700
Denver & Rio Grande Western	4,826	4,632	5,175	3,943	3,624
Denver & Salt Lake	742	515	896	19	14
Fort Worth & Denver City	1,141	1,214	1,253	1,173	1,164
Illinois Terminal	1,851	1,706	1,950	1,806	1,769
Missouri-Illinois	1,189	956	1,076	473	366
Nevada Northern	1,915	1,866	1,261	135	126
North Western Pacific	1,029	765	764	445	336
Peoria & Pekin Union	23	40	24	0	0
Southern Pacific (Pacific)	31,440	28,900	26,352	8,245	6,311
Toledo, Peoria & Western	335	346	494	1,730	1,353
Union Pacific System	22,838	20,321	20,993	13,136	10,578
Utah	423	446	698	2	3
Western Pacific	2,509	2,012	2,007	3.558	2.485
Total	137,338	126,879	126,633	74,798	63,236
Southwestern District—					
Burlington-Rock Island	284	159	205	280	291
Gulf Coast Lines	3,773	3,099	3,182	2,175	1,692
International-Great Northern	1,983	1,709	1,703	2,592	2,670
Kansas, Oklahoma & Gulf	224	331	296	841	869
Kansas City Southern	3,006	2,295	2,286	2,794	2,003
Louisiana & Arkansas	2,735	2,035	2,132	2,227	1,676
Litchfield & Madison	377	281	406	1,080	964
Midland Valley	750	507	612	244	202
Missouri & Arkansas	154	221	255	376	369
Missouri-Kansas-Texas Lines	4,676	4,424	4,277	3,605	3,098
Missouri Pacific	17,091	15,598	16,443	12,475	10.075
Quanah Acme & Pacific	141	235	138	182	141
St. Louis-San Francisco	9,220	8,725	8,232	6,195	4,731
St. Louis Southwestern	2,956	3,153	3.135	3,688	2,860
Texas & New Orleans	7,899	7,587	7,455	4,067	3,581
Texas & Pacific	5,296	5,411	5,664	5,051	3,889
Wichita Falls & Southern	184	175	181	50	74
Weatherford M. W. & N. W.	17	18	27	38	14
Total	60.766	55.963	56.623	47.960	39.199

Note—Previous year's figures revised. * Previous figures.

Foreign Front

(Continued from page 1032)

less the Japanese envoy is empowered to change the whole course of Japanese policy, his mission is almost completely hopeless. Nor, it is reported from Tokio, has Mr. Kurusu any illusions on the subject, for he is said to have questioned even his ability to make his way back to Japan. The commercial air lines are being utilized by the special envoy for his journey to Washington, but they would be discontinued at the first sign of hostilities.

Washington and London are equally realistic about the prospects of maintaining peace with Tokio. President Roosevelt stated last Friday that withdrawal of American marines from China stations was under consideration, and this was accepted in Administration circles as indicative of action imminent or already in progress. It is a strong indication, according to the Washington correspondent of the "New York Times," that Washington means to meet the consequences if negotiations with Japan fail.

Prime Minister Churchill added his powerful voice and much of the naval weight of Britain to this developing showdown, Monday, when he stated in his London Guildhall address that Britain would follow the United States "within the hour," in the event of war with Japan. The British spokesman minced no wards. He regretted the trend, in view of his feeling of friendship for Japan, but remarked pointedly that new dispositions of heavy naval units now can be made in the Indian and Pacific Oceans, since the United States Fleet is active in the Atlantic.

Mr. Churchill put the problem bluntly before the Japanese, on an economic as well as a military basis. He emphasized the enormous disparity between the Japanese steel production of 7,000,000 tons and the 90,000,000 tons of American production, not to mention the "powerful contribution which the British Empire can make in various ways." Expressing a devout hope for peace in the Pacific, he added that every preparation to defend British interests and the "common cause" in the Far East now has been made.

Underlying these matters are two factors which have received little attention in recent public discussions, but which may well provide the world with shattering impacts. The economic situation in the Far East has deteriorated to the point where rebellion, tumult and unimaginable horrors impend and may swiftly develop, if improvement is not effected. Greatly over-extended as they are, the Japanese militarists are sitting on a vast powderkeg, which may blow up the very Empire of Japan. Their counsels are those of desperation.

The second factor is the Axis agreement, the published terms of which provide for mutual action by Germany, Italy and Japan, in the event that any of them is attacked by a Power not engaged in either the European or Far Eastern conflicts at the time the agreement was made. The inclusion of Japan in the Axis was an obvious endeavor to immobilize the United States. If this country acts in the Far East, therefore, it must fully expect to encounter the full hostility of the European members of the Axis. The highest statesmanship plainly is necessary in Washington, in the face of this dire possibility of a merging of the European and Far Eastern wars, with the United States in the middle.

Neutrality Debate

Hardly a shred will be left of the neutrality laws if the House emulates the Senate and decrees termination of the provisions against the sending of American ships into war zones. The resolution of the House, widened to permit our merchant vessels to enter belligerent harbors, was passed by the Senate last Friday, by a vote of 50 to 37. The House promptly took up the necessary reconsideration of the measure and is likely to act in a day or two.

All opponents of the enlarged Senate version, and a good many of those who voted as the Administration desired, conceded that the resolution is tantamount to the entry of the United States into all-out war with the European Axis. The debate was tense in its final hours, and charged with the realization of an irrevocable move, involving unnumbered American lives and untold treasure.

Meanwhile the undeclared naval war with Germany remained fully in progress, with American participation rolling up a list of dead that is profoundly impressive. Those who died on the torpedoed destroyer Reuben James, the Navy Department announced a week ago, numbered 100. It appeared at the same time that 17 American civilians, bound for England to serve the British Government, were lost with an unnamed ship that went down. Indicating that there is no turning back when once the dread march toward war has begun, the Navy Department made it known last Saturday that a full-fledged American base is being established in Iceland.

The German Fuehrer, Adolf Hitler, alluded to the naval warfare in a speech at Munich, on Nov. 8. He affirmed that all ships carrying munitions of war to his enemies will be torpedoed. Accusing President Roosevelt of engineering the Polish and French entries into the war, Hitler said he had issued orders to the German Navy to fire upon American ships only when attacked. Mr. Roosevelt's charge that the German Government plans to divide much of Latin-America into a few regions under Axis domination was scorned by the German, who remarked that as far as he is concerned, South America is as far away as the moon. The alleged aim to establish a Nazi world-wide

(Continued on page 1034)

Foreign Front

(Continued from page 1033)

religion was brushed aside by the German Fuehrer with the comment that in Germany the Church is subsidized by the State, whereas in America the Church receives nothing from the Government.

President Roosevelt made speeches a week ago today, and on Armistice Day. In the earlier address he declared that the American people "have made an unlimited commitment that there shall be a free world." Against that commitment, he added, no individual and no group shall prevail. In his Armistice Day address the President endeavored to assert that the first World War was really fought to make the world safe for democracy, and he insisted that the American commitment is an eternal one. Washington and London buzzed with rumors that a meeting of President Roosevelt, Prime Minister Churchill and Premier Stalin soon may take place.

Russian Credit

American commitments against Hitler and in favor of all who oppose the Nazi Fuehrer were augmented sensationally, in an exchange of letters between President Roosevelt and Premier Stalin, published last Friday. Acting under the second lend-lease appropriation, Mr. Roosevelt pledged aid to Russia in the amount of $1,000,000,000, and extended to the Moscow regime a credit in that amount to be used in the purchase of military equipment and raw materials. The State Department made this information public without comment, and at the same time released the text of a letter from the President to the Russian Chief Executive, Mikhail I. Kalinin, extending felicitations and good wishes on the occasion of the anniversary of the Soviet revolution.

The rapid sequence of official moves intended to aid Russia and defeat Hitler included several other measures. The Russian Government last Friday made it known that Maxim Litvinoff had been appointed Ambassador to the United States, to replace Constantine A. Oumansky. This, it appeared, was quite acceptable to Washington. Mr. Roosevelt on the same day issued instructions to Edward R. Stettinius, Jr., the Lend-Lease Administrator, to arrange the transfer of war supplies to Russia, "as quickly as possible." Still another commentary on the situation was afforded by a huge fete in which the Russian Embassy in Washington celebrated, last Saturday, the terrible events which brought the Communists into power twenty-four years ago. Some 2,500 petty officials attended that celebration, but only one or two leading American authorities appeared.

The tremendous credit to Moscow attracted most attention, for the loan will bear no interest, and is to be repaid over a period of ten years beginning five years after the end of the conflict. Essential raw materials are to be acquired from Russia, in the meantime, and the cost thereof is to be charged against the aid.

Apart from its propaganda value this loan will have only a moderate immediate effect upon the war situation in Europe. Whatever the intentions in Washington may be, the shipping facilities for transportation of aid on such a scale are modest for the time being. If the war continues indefinitely, however, the gigantic cost to American taxpayers outlined in this project well may become a reality. Since Russia is well understood to possess upwards of $1,500,000,000 in gold, very little of which so far has been utilized, the occasion for the prodigious

(Continued on page 1035)

Third Quarter Security Registrations

Securities amounting to $932,673,000 were effectively registered under the Securities Act of 1933 during the third quarter of 1941, which was higher than any quarterly period since the first quarter of 1937, when $1,391,297,000 of securities became fully effective, the Securities and Exchange Commission announced on Oct. 31. Effective during the first quarter of 1941 totaled $761,625,000, while in the second quarter effectives aggregated $623,101,000.

The most important aspects of the registration statistics, prepared by the Research and Statistics Section of the Trading and Exchange Division for the third quarter of 1941, are summarized as follows by the Commission:

1. New money uses were expected to absorb $159,380,000, or 37.8% of all net proceeds in the third quarter of 1941, as compared with 28.6% in the third quarter of 1940. Of this amount, new money intended for investment in plant and equipment was $167,199,000, or 32.4% of total net proceeds, and about three times the sum intended for this purpose in the same period of 1940. Repayment of indebtedness and retirement of preferred stock remained—as in preceding quarters—the predominant use, taking $305,670,000, or 59.2% of the net proceeds, compared with $224,727,000, or 64.0% in the corresponding quarter of 1940. All other uses combined were expected to absorb 3.0% of net proceeds.

2. Of the $523,432,000 of securities offered for cash sale by the issuers in the third quarter, the net proceeds totaled $516,751,000. The difference of 1.3% was the cost of flotation. This compared with a cost of 3.7% in the same quarter of the preceding year. The part of this cost represented by compensation to underwriters and agents was 0.7% in the third quarter of 1941, compared with 3.1% in 1940. Agents handled less than 1.0% of all the issues registered for sale in the quarter and their remuneration averaged 10.4%. Slightly less than one-third of the securities were underwritten and on these the rate of remuneration was 1.9%. Over two-thirds of the securities registered for sale for issuers, or $355,143,000, were to be distributed directly by the issuers without the use of investment banking facilities and on these there was, of course, no compensation to underwriters and agents.

3. Credit obligations (bonds and face amount certificates) in the amount of $463,357,000, accounted for 88.5% of all issues registered for sale in the third quarter of 1941, compared with 74.0% in the same quarter of 1940. Preferred stock with $36,691,000, or 7.0% of all securities registered for sale by issuers, was in about the same proportion as in the corresponding three months of 1940. Common stock, certificates of participation, beneficial interest, etc., were registered for sale by issuers in the amount of $23,384,000, or 4.5% of the total, which was a decline from a proportion of 19.2% in the same quarter of 1940.

4. Transportation and communication companies registered $327,113,000 of securities for sale in the third quarter of 1941, equal to 62.5% of the total for all industries. This group was represented by only 0.1% of all issues in the similar quarter of 1940. Manufacturing companies were in second place with 15.5% of total registrations for sale, compared with 37.7% in the similar quarter of 1940, and electric, gas and water utilities were third with 13.4%, compared with 44.9% in the same quarter of the previous year.

During September 1941, the Commission says the number of statements which became effective was 24, covering 33 issues in the amount of $176,042,000. Of this amount $31,885,000 were registered for the account of others, $60,000 consisted of substitute securities, and $2,536,000 were reserved for conversion or intended exchange, leaving $141,561,000 registered for the account of issuers and proposed for sale. The SEC detailed the September registration figures as follows:

> Bonds were in the largest amount of any of the types of securities registered by issuers for sale in September 1941, aggregating $109,857,000, which was 77.6% of the total, compared with 64.3% in the corresponding month of 1940. Preferred stock was registered for sale by issuers in the amount of $13,228,000, or 9.3% of the total; common stock $14,726,000, or 10.4%; and certificates of participation, beneficial interest, etc., $3,750,000, or 2.7%.
>
> Transportation and communication companies registered the highest amount for sale of any industrial classification, $91.968,000, or 65.0% of the total. This was practically all represented by the single-issue of American Telephone and Telegraph Co. debenture 2¾s due 1976. Electric, water and gas utilities were second in importance with $20,843,000, which was 14.7% of the total; and manufacturing companies third with $18,099,000 or 12.8%. Securities of merchandising companies aggregated $6,780.000, or 4.8% of the total, and the balance of $3,871,000, or 2.7% was practically all of financial and investment companies.
>
> Issuers expected to distribute directly $96,632,000, or 68.3% of all securities proposed by them for sale. The balance of $44,929,000 was underwritten and compensation to underwriters and distributors on this part averaged 2.1%.
>
> Reflecting the large proportion of securities placed without the aid of the investment banking facilities, compensation to underwriters and distributors amounted to 0.7% of the value of all securities registered for sale by issuers in the month of September. Other costs of flotation amounted to 0.4%, leaving net proceeds to issuers of $139,988,000, or 98.9% of the amount expected to be paid by investors.
>
> Most of the net proceeds were to be applied to repayment of indebtedness and retirement of preferred stock. The proportion of the total intended for this purpose was 77.0%, and amounted to $107,744,000. New money uses were next in importance with $28,433,000, or 20.3% of the total, of which $22,161,000, or 15.8% of all net proceeds, was destined for investment in plant and equipment. The balance for all other purposes combined was $3,811,000, or 2.7% of the total.

EFFECTIVE REGISTRATIONS UNDER THE SECURITIES ACT OF 1933
(By Types of Securities)
September, 1941

Type of Security	Total securities effectively regist.: No. of Issues	Amount	Total, less securs. res. for conversion or substitution: Amount	Percent Sept., 1941	Percent Sept., 1940	Securities proposed for sale by issuers: Amount	Percent Sept., 1941	Percent Sept., 1940
Secured bonds	5	18,249,285	18,249,285	10.4	34.4	18,199,701	12.9	40.5
Unsecured bonds	1	91,657,800	91,657,800	52.4	19.6	91,657,800	64.7	23.8
Preferred stock	9	14,978,393	14,978,393	8.6	13.9	13,227,582	9.3	3.3
Common stock	16	47,346,768	46,213,446	26.4	16.8	14,726,148	10.4	14.0
Certificates of partic., beneficial int., etc.	1	3,750,000	3,750,000	2.2	15.2	3,750,000	2.7	18.4
Warrants or rights	0	------	------	---	0.1	------	---	---
Substitute securs. (V.T. ctfs. & ctfs. of dep.)	1	60,060	------	---	---	------	---	---
Grand Total	33	176,042,306	174,848,924	100.0	100.0	141,561,231	100.0	100.0

Weekly Statistics of Paperboard Industry

We give herewith latest figures received by us from the National Paperboard Association, Chicago, Ill., in relation to activity in the paperboard industry.

The members of this Association represent 83% of the total industry, and its program includes a statement each week from each member of the orders and production, and also a figure which indicates the activity of the mill based on the time operated. These figures are advanced to equal 100%, so that they represent the total industry.

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity: Current	Cumulative
1940—*Month of—*					
January	528,155	579,739	167,240	72	71
February	420,639	453,518	137,631	70	71
March	429,334	449,221	129,466	69	70
April	520,907	456,942	193,411	70	70
May	682,490	624,184	247,644	76	72
June	508,005	509,781	236,693	79	73
July	544,221	587,339	196,037	72	73
August	452,613	487,127	162,653	74	73
September	468,870	470,228	163,769	72	73
October	670,473	648,611	184,002	79	73
November	488,990	509,945	161,985	77	73
December	464,537	479,099	151,729	71	73
1941—*Month of—*					
January	673,446	629,863	202,417	75	--
February	608,521	548,579	261,650	81	--
March	652,128	571,050	337,022	82	--
April	857,732	726,460	447,525	83	--
May	656,437	602,323	488,993	84	--
June	634,684	608,995	509,231	88	--
July	509,231	807,440	737,420	86	--
August	659,722	649,031	576,529	94	--
September	642,879	630,524	578,402	94	--
October	839,272	831,991	568,264	99	--
1941—*Week Ended—*					
May 3	165,583	147,188	447,525	83	80
May 10	170,436	148,381	466,064	84	80
May 17	161,295	149,884	472,782	84	80
May 24	168,875	152,410	489,915	85	81
May 31	155,831	151,648	488,993	84	81
June 7	156,188	144,481	500,252	84	81
June 14	158,821	156,439	504,786	88	81
June 21	168,561	153,364	518,755	88	82
June 28	151,114	154,711	509,231	90	82
July 5	149,197	129,019	529,633	74	82
July 12	147,365	131,531	542,738	77	82
July 19	168,431	156,989	550,902	92	81
July 26	182,603	160,609	572,532	92	82
Aug. 2	159,844	159,272	572,635	93	83
Aug. 9	174,815	159,894	587,498	91	83
Aug. 16	169,472	162,889	592,840	92	83
Aug. 23	158,403	162,964	584,484	94	83
Aug. 30	157,032	163,284	576,529	97	84
Sept. 6	147,086	133,031	591,414	80	84
Sept. 13	164,057	166,781	589,770	98	84
Sept. 20	176,263	166,797	583,716	99	84
Sept. 27	155,473	163,915	578,402	98	85
Oct. 4	176,619	168,256	582,287	100	85
Oct. 11	159,337	164,374	575,627	99	85
Oct. 18	167,440	165,795	574,991	98	86
Oct. 25	165,279	168,146	568,161	100	86
Nov. 1	170,597	165,420	568,264	99	86

Note—Unfilled orders of the prior week plus orders received, less production, do not necessarily equal the unfilled orders at the close. Compensation for delinquent reports, orders made for or filled from stock, and other items made necessary adjustments of unfilled orders.

Cotton Ginnings Through Nov. 1 12% Below '40

The Census Bureau report issued Nov. 8 compiled from the individual returns of the ginners, show 7,964,325 running bales of cotton (counting round as half bales and excluding linters) ginned from the crop of 1941 prior to Nov. 1, compared with 9,085,870 bales from the crop of 1940 at that date last year and 10,079,112 bales two years ago. Below is the report in full:

REPORT ON COTTON GINNING

STATE	RUNNING BALES (Counting round as half bales and excluding linters) 1941	1940	1939
United States	*7,964,325	9,085,870	10,079,112
Alabama	733,511	586,958	705,076
Arizona	72,359	65,093	71,612
Arkansas	1,182,300	987,117	1,204,223
California	104,228	301,420	220,473
Florida	13,972	17,358	9,424
Georgia	588,836	858,936	846,960
Illinois	4,765	2,035	3,158
Kentucky	14,640	6,382	10,104
Louisiana	299,228	405,848	706,447
Mississippi	1,316,251	895,104	1,442,172
Missouri	407,683	231,751	345,813
New Mexico	29,553	54,960	56,805
North Carolina	487,178	545,952	400,583
Oklahoma	313,186	480,297	445,508
South Carolina	368,036	818,138	811,597
Tennessee	513,319	266,481	338,689
Texas	1,498,141	2,550,030	2,454,103
Virginia	17,139	12,010	6,365

*Includes 1,969 bales of the crop of 1941 ginned prior to Aug. 1 which was counted in the supply for the season of 1940-41, compared with 32,187 and 137,254 bales of the crops of 1940 and 1939.

The statistics in this report include 694 round bales for 1941; 3,164 for 1940 and 147,325 for 1939. Included in the above are 18,979 bales of American-Egyptian for 1941; 13,720 for 1940; and 12,360 for 1939; also 2,302 bales Sea-Island for 1941; 3,337 for 1940 and 1,743 for 1939.

The statistics for 1941 are subject to revision when checked against the individual reports being transmitted by mail. The revised total of cotton ginned this season prior to October 18 is 6,858,972 bales.

Consumption, Stocks, Imports, and Exports — United States

Cotton consumed during the month of September, 1941, amounted to 875,682 bales. Cotton on hand in consuming establishments on Sept. 30, was 1,636,521 bales, and in public storages and at compresses 11,523,702 bales. The number of active consuming cotton spindles for the month was 22,963,944. The total imports for the month of September, 1941, were 25,413 bales and the exports of domestic cotton, excluding linters, were 189,215 bales.

World Statistics

The world's production of commercial cotton, exclusive of linters, grown in 1939 as compiled from various sources was 27,-

875,000 bales, counting American in running bales and foreign in bales of 478 pounds lint, while the consumption of cotton (exclusive of linters in the United States) for the year ending July 31, 1939, was 27,748,000 bales. The total number of spinning cotton spindles, both active and idle, is about 145,000,000.

October Steel Production Sets New Record

Production of steel in October exceeded all previous monthly records by a substantial tonnage, according to a report released Nov. 8 by the American Iron and Steel Institute.

A total of 7,242,683 net tons of steel ingots and castings was produced during October, which brought total output for the ten months of this year nearly two million tons above production in the full twelve months of 1940.

Steel production in September amounted to 6,819,706 tons, while 6,644,542 tons were produced in October a year ago. Prior to last month, the record monthly production of steel was 7,131,641 tons, produced in March 1941.

During the first ten months of this year, 68,793,571 tons of steel were produced, or 27% more than in the corresponding period of 1940. Steel production in the whole of 1940 amounted to 66,981,662 tons, a greater tonnage than had been produced in any earlier year.

In establishing its new record in October, the steel industry operated at an average of 99.0% of capacity, rated as of June 30, 1941. Open hearth steel production, totaling 6,427,977 tons, represented 99.4% of capacity, output of 532,863 tons of Bessemer steel was 92.3% of capacity, and production of 281,843 tons of electric furnace steel represented 101.4% of capacity.

The October tonnages of both open hearth and electric furnace steels represented new peaks of production, while the output of Bessemer steel was the highest in a decade.

During October an average of 1,634,917 tons of steel was produced per week, as against 1,593,389 tons per week in September and 1,499,897 tons per week in October, 1940.

PRODUCTION OF OPEN HEARTH, BESSEMER AND ELECTRIC STEEL INGOTS AND STEEL FOR CASTINGS

Period	Estimated Production —All Companies— Total		Calculated weekly production, all companies (net tons)	Number of weeks in month
	Net tons	Percent of capacity		
1941 †				
January	6,928,085	96.9	1,563,902	4.43
February	6,237,900	96.9	1,559,475	4.00
March	7,131,641	99.7	1,609,851	4.43
1st Quarter	20,297,626	97.8	1,578,353	12.86
April	6,756,949	97.6	1,575,046	4.29
May	7,053,278	98.7	1,592,153	4.43
June	6,800,730	98.2	1,585,252	4.29
2nd Quarter	20,610,917	98.2	1,584,237	13.01
1st 6 months	40,908,543	98.0	1,581,312	25.87
July	6,821,682	93.4*	1,543,367	4.42
August	7,000,957	95.7	1,580,351	4.43
September	6,819,706	96.4	1,593,389	4.28
3rd Quarter	20,642,345	95.2	1,572,151	13.13
9 months	61,550,888	97.0	1,578,228	39.00
October	7,242,683	99.0	1,634,917	4.43
1940 †				
January	5,764,723	83.4	1,301,292	4.43
February	4,525,797	70.0	1,093,188	4.14
March	4,389,183	63.5	990,786	4.43
1st Quarter	14,679,703	72.3	1,129,208	13.00
April	4,100,474	61.2	955,821	4.29
May	4,967,782	71.8	1,121,395	4.43
June	5,657,443	84.5	1,318,751	4.29
2nd Quarter	14,725,699	72.5	1,131,875	13.01
1st 6 months	29,405,402	72.4	1,130,542	26.01
July	5,724,625	83.0	1,295,164	4.42
August	6,186,383	89.5	1,396,475	4.43
September	6,056,246	90.6	1,415,011	4.28
3rd Quarter	17,967,254	87.7	1,368,412	13.13
9 months	47,372,656	77.5	1,210,339	39.14
October	6,644,542	96.1	1,499,897	4.43
November	6,469,107	96.6	1,507,950	4.29
December	6,495,357	94.1	1,469,538	4.42
4th Quarter	19,609,006	95.6	1,492,314	13.14
Total	66,981,662	82.1	1,281,210	52.28

* Revised. † Based on Reports by Companies which in 1940 made 98.43% of the Open Hearth, 100% of the Bessemer and 85.82% of the Electric Ingot and Steel for Castings Production.

Note—In 1940 the percentages of capacity operated are calculated on weekly capacities of 1,410,130 net tons open hearth, 114,956 net tons Bessemer and 36,011 net tons electric ingots and steel for castings, total 1,561,097 net tons; based on annual capacities as of Dec. 31, 1939 as follows: Open hearth 73,721,592 net tons, Bessemer 6,009,920 net tons, electric 1,882,630 net tons. In 1941 the percentages of capacity operated in the first 6 months are calculated on weekly capacities of 1,430,102 net tons open hearth, 134,187 net tons Bessemer and 49,603 net tons electric ingots and steel for castings, total 1,613,892 net tons; based on annual capacities as of Dec. 31, 1940 as follows: Open hearth 74,565,510 net tons, Bessemer 6,996,520 net tons, electric 2,586,320 net tons. Beginning July 1, 1941, the percentages of capacity operated are calculated on weekly capacities of 1,459,132 net tons open hearth, 130.292 net tons Bessemer and 62,761 net tons electric ingots and steel for castings, total 1,652,185 net tons; based on annual capacities as of June 30, 1941 as follows: Open hearth 76,079,130 net tons, Bessemer 6,793,400 net tons, Electric 3,272,370 net tons.

Fertilizer Assn. Commodity Index Up Again

The weekly wholesale commodity price index compiled by The National Fertilizer Association was again higher in the week ended Nov. 8, 1941. This index advanced to 116.5 last week from 116.1 in the preceding week. It was 117.2 a month ago, the highest point recorded since 1930. A year ago the index stood at 98.5, based on the 1935-1939 average as 100. A report issued by the Association Nov. 10, continued:

The farm products price index is now back to the level reached in the second week in October; grain and livestock quotations were higher, offsetting a decline in the price of cotton. The food index advanced last week, the net result of rising prices for butter, eggs, rice, beans, veal, lamb, cocoa, and lard, which more than counterbalanced declines in pork and cottonseed oil. A reversal in the downward trend of cattle feed prices and an increase in the price of cottonseed meal caused a moderate upturn in the index of miscellaneous commodities. The fertilizer material average was fractionally higher. The textile price index fell off last week, as declines in cotton and certain cotton goods outweighed slight advances in wool and woolen yarns. The price of oak flooring was lower resulting in a small decline in the building material average.

During the week 26 price series included in the index advanced while only 9 declined; in the preceding week there were 20 advances and 21 declines; in the second preceding week there were 30 advances and 19 declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX
Compiled by The National Fertilizer Association
1935-1939=100*

% Each Group Bears to the Total Index	GROUP	Latest Week Nov. 8, 1941	Preceeding Week Nov. 1, 1941	Month Ago Oct. 4, 1941	Year Ago Nov. 9, 1940
25.3	Foods	113.5	112.5	114.0	90.2
	Fats and Oils	122.7	122.6	130.3	65.3
	Cottonseed Oil	143.6	145.3	159.6	63.8
23.0	Farm Products	116.4	115.7	118.4	88.6
	Cotton	153.8	155.0	161.6	88.9
	Grains	107.7	105.2	108.6	84.7
	Livestock	110.5	109.8	112.2	87.8
17.3	Fuels	112.3	112.3	110.8	101.3
10.8	Miscellaneous Commodities	126.0	125.1	127.5	110.6
8.2	Textiles	138.6	140.0	139.3	108.0
7.1	Metals	104.0	104.0	103.5	103.3
6.1	Building Materials	131.3	131.5	131.0	119.1
1.3	Chemicals and Drugs	112.3	112.3	111.9	103.5
.3	Fertilizer Materials	114.6	114.5	114.3	104.3
.3	Fertilizers	107.5	107.5	107.1	103.0
.3	Farm Machinery	100.2	100.2	99.7	99.5
100.0	All Groups Combined	116.5	116.1	117.2	98.5

*Base period changed Jan. 4 from 1926-1928 average to 1935-1939 average as 100. Indexes on 1926-1928 base were: Nov. 8, 1941, 90.8; Nov. 1, 1941, 90.4; Nov. 9, 1940, 76.7.

October Steel Shipments Greatest On Record

Shipments of finished steel products by subsidiary companies of the United States Steel Corp. for the month of October, 1941, totaled 1,851,279 net tons. The October shipments, which represent an all-time monthly shipments record, compare with 1,664,227 net tons in the preceding month (September) an increase of 187,052 net tons, and with 1,572,408 net tons in the corresponding month in 1940 (October) an increase of 278,871 net tons.

For the year 1941 to date, shipments were 16,988,715 net tons compared with 12,006,135 net tons in the comparable period of 1940, an increase of 4,982,580 net tons.

The current all-time monthly shipments record compares with the previous all-time high of 1,753,665 net tons in August, 1941 and with 1,701,874 net tons in May, 1929, the highest month prior to 1941.

In the table below we list the figures by months for various periods since January, 1929:

	1941	1940	1939	1938	1932	1929
January	1,682,454	1,145.592	870,866	570,264	464,524	1,364,801
February	1,548.451	1,009,256	747,427	522,395	449,418	1,388,407
March	1,720.366	931,905	845,108	627,047	422,117	1,605,510
April	1,687.674	907,904	771,752	550,551	429,965	1.617,302
May	1,745,295	1,084.057	795,689	509,811	369,882	1,701,874
June	1,668.637	1,209,684	607,562	524,994	355,575	1,529,241
July	1,666.667	1,296,887	745,364	484,611	294,764	1,480,008
August	1,753.665	1,455,604	885,636	615,521	316,417	1,500,281
September	1,664,227	1,392,838	1,086,683	635,645	340,610	1,262,874
October	1,851,279	1,572,408	1.345,855	730,312	336,726	1,333,385
November	------	1,425,352	1,406,205	749,328	299,076	1,110,050
December	------	1,544,623	1,443,969	765,868	250,008	931,744
Total by mos.	------	14,976,110	11,752,116	7,286,347	4,329,082	16,825,477
Yearly adjust.	------	37,639	*44,865	29,159	*5,237	*12,827
Total	------	15,013,749	11,707,251	7,315,506	4,323,845	16,812,650

*Decrease.

Note—The monthly shipments as currently reported during the year 1940, are subject to adjustments reflecting annual tonnage reconciliations. These will be comprehended in the cumulative yearly shipments as stated in the annual report.

Foreign Front

(Continued from page 1034)

credit becomes all the more mysterious, not to say alarming.

Russian Campaign

Battles between the Russians and Germans in the endless drizzle and bottomless mud of the front in Soviet territory were overshadowed, in recent days, by addresses in which Premier Stalin and Fuehrer Hitler attempted to assure their respective peoples of victory. Neither speaker could hold out encouragement in the form of immediate successes. The Nazis, however, plainly retained the initiative in the vast depths of Russia, for they captured a few more towns.

Stalin addressed the Moscow Soviet a week ago, and followed this on Friday with comments at a military demonstration in Red Square, before the Kremlin in Moscow. In the first speech he assured the Communists of victory on the basis of German casualties of 4,500,000, as against Russian losses of 1,748,000. The Nazis will be annihilated, said the leader of the Russian forces, which have not yet won a battle in the current war. While confidently predicting the early collapse of the Reich, he hinted almost plaintively that this will be done with British and American aid. In his second address commemorating the Russian Communist revolution, the Russian dictator said the Germans will be defeated in six months or a year.

Hitler, whose bloody excesses now rival those of Stalin, reiterated that the Russians already are beaten. Never was a great empire smashed and destroyed in shorter time than Soviet Russia, according to the leader of the mired Nazi warriors. Red Army prisoners captured were placed by Hitler at 3,600,000, while the Russian losses in equipment were said to be 15,000 airplanes, more than 22,000 tanks and more than 27,000 guns. These gigantic Russian losses, he averred, could be replaced only slowly by all the industry of the world. Obviously sensitive about the long and fruitless siege of Leningrad, Hitler asserted that the population of that city will be starved into submission in order to waste no German lives. The city could be taken by storm, he added, for "whoever has marched from the East Prussian border to within 10 kilometers of Leningrad also can march the final 10 kilometers into the city."

In the actual fighting a new move on Leningrad appears to be developing, largely from the Karelian Isthmus, where the Finns have battled heretofore. This appears to indicate a winter drive by combined German - Finnish forces, possibly over frozen ground. The Russian soldiers in Leningrad made fresh sortees, this week, but failed to drive back the encircling German and Finnish forces.

The Moscow front was again bogged down in mud, with snow and rain alternately making life miserable for the soldiers and preventing really sizable military operations. Southward of the Russian capital, the Germans claimed the capture of the city of Tula, late last week. If this report is substantiated, it may suggest a new Nazi attempt at encirclement of Moscow, with the southern drive the more important aspect, militarily speaking.

In the long run the German drive in southern Russia may turn out to be more important than other tactical moves, for there is no doubt of the vast power of that thrust. Following their break through the Perekop Isthmus into the Crimea, the Germans speedily overran a good part of the peninsula, possession of which is vital for control of the Black Sea and a fresh march into the Caucasus. The Yalta Mountains were crossed last week, according to Berlin spokesmen, and the port of Yalta captured by the Nazis last Sunday. In the face of admittedly fierce Russian resistance, the Germans deployed toward the great naval base at Sevastopol and the Kerch region, which could be a jumping-off spot for the Caucasus.

Empire Lifeline

Some naval activity finally has developed along the British Empire lifeline from Gibraltar to the East, but the land units of Great Britain and the Axis remain strangely quiescent in that vast region. The Middle East, it is now apparent, may well turn out to be the next battleground. Indeed, a tremendous pincers movement from the Caucasus eastward, and from Indo-China westward, possibly is part of the German-Japanese strategy. That Britain will not be unprepared for such developments is suggested by activities of General Sir Archibald P. Wavell, who is understood to be organizing countermoves against the Axis from his base in India.

The most heartening military news of the week unquestionably has been that supplied by London with respect to naval operations in the Mediterranean. Early last Sunday, the Admiralty announced, two small British cruisers and two destroyers intercepted a superior Axis convoy near Taranto, on its way to the North African coast, and sank several Italian destroyers and at least ten merchant ships. Rome admitted the loss of two destroyers and seven other vessels in this surprise attack, which cost the British nothing in the way of lives or damage.

In a speech before the House of Commons, Monday, Prime Minister Churchill augmented the tally of Italian losses, and still further announcements of Italian losses were made by the London Admiralty on Tuesday. At least four Axis troop or supply ships and two sailing vessels were sunk by submarines, it was indicated. The reverse of this medal is, of course, the vast flow of Axis men and supplies to the Western Desert region between Libya and Egypt. Neither side seems inclined toward military adventure in the Western Desert, although weather conditions have been favorable for several weeks.

The increasing gravity of the situation in the Middle East is illustrated by the German progress in the Crimea and the likelihood that supplies to Russia via the Gulf of Persia will be halted, if the Caucasus is taken by the Nazis. Cabinet changes in Turkey

(Continued on page 1036)

President Demands Personal Sacrifices

(Continued from First Page)

illusions about the fate that waits him and his free labor organization if Hitler should win." The President further said:

> He knows that his own liberty and the very safety of the people of the United States cannot be assured in a world which is three-fourths slave and one-fourth free. He knows that we furnish arms to Britain, Russia and China and that we must do it now—today.

The President's address follows in full:

Miss Perkins, Mr. Goodrich, Mr. Phelan, delegates and advisers to the conference, taking part in a conference of the International Labor Organization is not a new experience for me. It was exactly at this time of the year, in 1919, that the International Labor Organization had its first conference in Washington. Apparently someone had fallen down on the job of making the necessary physical arrangements for the conference. Finally someone picked on the then Assistant Secretary of the Navy to help. I had to find office space in the Navy Building, as well as supplies and typewriters to get the machinery organized.

In those days the International Labor Organization was still a dream. To many it was a wild dream. Who had ever heard of governments getting together to raise the standards of labor on an international plane? Wilder still was the idea that the people themselves who were directly affected—the workers and the employers of the various countries—should have a hand with government in determining these labor standards.

Now 22 years have passed. The International Labor Organization has been tried and tested. Through those extravagant years of the twenties, it kept doggedly at its task of shortening the hours of labor, protecting women and children in agriculture and industry, making life more bearable for the merchant seamen, and keeping the factories and mines of the world safe and fit places for human beings to work in.

Then through the long years of depression, it sought to bring about a measure of security to all workers by the establishment of unemployment and old-age insurance systems and again to set the wheels of industry in action through the establishment of international public works, rational policies of migration of workers, and the opening of the channels of world trade.

Now, for more than 2 years you have weathered the vicissitudes of a world at war. Though Hitler's juggernaut has crowded your permanent staff out of its home at Geneva, here in the New World, thanks in large part to the efforts of our friend, John Winant, you have been carrying on, and when this world struggle is over you will be prepared to play your own part in formulating those social policies upon which the permanence of peace will so much depend.

Today you, the representatives of 33 nations, meet here in the White House for the final session of your conference. It is appropriate that I recall to you, who are in a full sense a parliament for man's justice, some words written in this House by a President who gave his life in the cause of justice. Nearly 80 years ago Abraham Lincoln said: "The strongest bond of human sympathy, outside of the family relation, should be one uniting all working people, of all nations and tongues and kindreds."

The essence of our struggle is that men shall be free. There can be no real freedom for the common man without enlightened social policies. In last analysis they are the stakes for which democracies are today fighting.

Your concern is the concern of all democratic peoples. To many of your member states adherence to the International Labor Organization has meant great sacrifice. There is no greater evidence of the vitality of the International Labor Organization than the loyal presence here today of the representatives of the nations which suffer under the lash of the dictator. I welcome those representatives especially.

I extend the hand of courage to the delegates of those labor organizations whose leaders are today languishing in concentration camps for having dared to stand up for the ideals without which no civilization can live. Through you, delegates from these despoiled lands, the United States sends your people this message: "You have not been forgotten; you will not be forgotten."

We in the United States have so far been called upon for extremely limited sacrifices, but even in this country we are beginning to feel the pinch of war. The names may be unfamiliar to you, but the workers of Manitowoc, Wis., who used to make aluminum utensils, have had to sacrifice their jobs that we may send planes to Britain and Russia and China. Rubber workers in a hundred scattered plants have had to sacrifice their opportunities for immediate employment that there may be ships to carry planes and tanks to Liverpool and Archangel and Rangoon. Tens of thousands of automobile workers will have to be shifted to other jobs in order that the copper which might have been used in automobiles may carry its deadly message from the mills of the Connecticut Valley to Hitler. But with all this, we have not yet made any substantial sacrifices in the United States.

We have not, like the heroic people of Britain, had to withstand a deluge of death from the skies. Nor can we ever grasp the full extent of the sacrifices that the people of China are making in their struggle for freedom from aggression. We have in amazement witnessed the Russians oppose the Nazi war machine for 4 long months—at the price of uncounted dead and a scorched earth.

Most heroic of all, however, has been the struggle of the common men and women of Europe, from Norway to Greece, against a brutal force which, however powerful, will be forever inadequate to crush the fight for freedom.

As far as we in the United States are concerned that struggle shall not be in vain. The epic stands of Britain, of China, and of Russia will receive the full support of the free peoples of the Americas. The people of this country insist upon their right to join in the common defense.

To be sure there are still some misguided among us—thank God they are but a few—both industrialists and leaders of labor, who place personal advantage above the welfare of their Nation. There are still a few who place their little victories over one another above triumph over Hitler. There are still some who place the profits they may make from civilian orders above their obligation to the national defense. There are still some who deliberately delay defense output by using their economic power to force acceptance of their demands, rather than use the established machinery for the mediation of industrial disputes.

Yes, they are but few. They do not represent the great mass of American workers and employers. The American people have made an unlimited commitment that there shall be a free world. Against that commitment no individual or group shall prevail.

The American workman does not have to be convinced that the defense of the democracies is his defense. Some of you, from the conquered countries of Europe and from China, have told this conference with the eloquence of anguish how all that you have struggled for—the social progress that you and your fellow men have achieved—is being obliterated by the barbarians.

I need not tell you that one of the first acts of the Fascist and Nazi dictators—at home and in conquered countries — was to abolish free trade unions and to take away from the common people the right of association. Labor alone did not suffer. Free associations of employers were also abolished. Collective bargaining has no place in their system; neither has collaboration of labor, industry, and government.

Nor need I tell you that the Nazi Labor Front is not a labor union but an instrument to keep labor in a state of permanent subjection. Labor under the Nazi system has become the slave of the military state.

To replace Nazi workers shipped to the front, and to meet the gigantic needs of her total war effort, Nazi Germany has imported about 2,000,000 foreign civilian laborers. They have changed the occupied countries into great slave areas for the Nazi rulers. Berlin is the principal slave market of the world.

The American worker has no illusions about the fate that awaits him and his free labor organizations if Hitler should win. He knows that his own liberty and the very safety of the people of the United States cannot be assured in a world which is three-fourths slave and one-fourth free. He knows that we must furnish arms to Britain, Russia, and China and that we must do it now—today.

Our place—the place of the whole Western Hemisphere—in the Nazi scheme for world domination has been marked on the Nazi timetable. The choice we have to make is this: Shall we make our full sacrifices now, produce to the limit, and deliver our products today and every day to the battle fronts of the entire world? Or shall we remain satisfied with our present rate of armament output, postponing the day of real sacrifice—as did the French—until it is too late?

The first is the choice of realism, realism in terms of three shifts a day; the fullest use of every vital machine every minute of every day and every night; realism in terms of staying on the job and getting things made, and entrusting industrial grievances to the established machinery of collective bargaining—the machinery set up by a free people.

The second choice is the approach of the blind and the deluded who think that perhaps we could do business with Hitler. For them there is still "plenty of time." To be sure, many of these misled individuals honestly believe that if we should later find that we can't do business with Hitler, we will roll up our sleeves later—later—later. And their tombstones would bear the legend "Too late."

In the process of working and fighting for victory, however, we must never permit ourselves to forget the goal which is beyond victory. The defeat of Hitlerism is necessary so that there may be freedom; but this war, like the last war, will produce nothing but destruction unless we prepare for the future now. We plan now for the better world we aim to build.

If that world is to be one in which peace is to prevail, there must be a more abundant life for the masses of the people of all countries. In the words of the Atlantic charter, we "desire to bring about the fullest collaboration between all nations in the economic field with the object of securing, for all, improved labor standards, economic advancement, and social security."

There are so many millions of people in this world who have never been adequately fed and clothed and housed. By undertaking to provide a decent standard of living for these millions, the free peoples of the world can furnish employment to every man and woman who seeks a job.

We are already engaged in surveying the immediate post-war requirements of a world whose economies have been disrupted by war.

We are planning not to provide temporary remedies for the ills of a stricken world; we are planning to achieve permanent cures—to help establish a sounder life.

To attain these goals will be no easy task. Yes, their fulfillment will require "the fullest cooperation between all nations in the economic field." We have learned too well that social problems and economic problems are not separate watertight compartments in the international any more than in the national sphere. In international, as in national affairs, economic policy can no longer be an end in itself. It is merely a means for achieving social objectives.

There must be no place in the post-war world for special privilege for either individuals or nations. Again in the words of the Atlantic Charter "All states, great or small, victor or vanquished" must have "access, on equal terms, to the trade and to the raw materials of the world which are needed for their economic prosperity."

In the planning of such international action the International Labor Organizations, with its representation of labor and management, its technical knowledge and experience, will be an invaluable instrument for peace. Your organization will have an essential part to play in building up a stable international system of social justice for all peoples everywhere. As part of you, the people of the United States are determined to respond fully to the opportunity and challenge of this historic responsibility, so well exemplified at this historic meeting in this historic home of an ancient democracy.

Foreign Front

(Continued from page 1035)

unquestionably reflect the intense pressure being brought to bear upon that country by the great belligerents. They may also foreshadow a Turkish military move.

Churchill and Hitler

While British and German forces hammered away at each other in the air and on the seas, Prime Minister Churchill and Chancellor Hitler dealt verbal blows at each other this week. Both speakers commented not only on their direct warfare but also, as indicated elsewhere in these columns, on the spread of the conflict to other areas and peoples. With respect to the immediate battle between Britain and Germany they were less illuminating than on other phases of the two crisis.

Prime Minister Churchill, in the customary Guildhall address on Monday, which was held on this occasion in the Mansion House, pointed to the deplorable state of a Europe which almost in its entirety is under the military hell of the German dictator. In addition to warning the Japanese, heartening the Russians and endeavoring to stir the conquered European peoples to revolt, Mr. Churchill made much of recent decisions in the United States. He emphasized the financial aid rendered England and disclosed that Britain, after spending £500,000,000 in dollar resources, had reached the end of such resources when lend-lease aid was extended by Washington.

One of the most significant passages in the Guildhall address by the Prime Minister related to the growing signs of a "peace offensive" from Berlin. Assurances were extended that the British Government never will enter into negotiations with Hitler or with any Nazi regime in the Reich. In a further speech before the House of Commons, Tuesday, Mr. Churchill said that retribution for Axis atrocities was among the major war aims of the British Government. The Prime Minister, who speaks almost as facilely as President Roosevelt, asserted at Hull, last Friday, that the tide is turning and that Britain once again is master of her own fate.

Chancellor Hitler treated the British scornfully in his beerhall address at Munich, last Saturday. If any invasion of the Continent is undertaken by England, the British forces wil be invited to step up and will be assured of leaving more quickly than they came, Hitler declared. He also dismissed summarily the aid which the United States is rendering to Britain, and which both Democracies are extending to Russia. Hitler referred to Churchill as a "crazy drunkard," and Churchill returned the compliment by calling Hitler a Nazi "ogre."

In actual battle, meanwhile, the British and Germans came to deadly grips. Vast aerial bombing attacks were made by British fliers on a score of German ports and industrial cities. The Germans hit back savagely and brought down many of the British airplanes. London admitted that almost two-score airplanes were lost last Saturday, largely because of weather conditions. Berlin claimed that 60 British airplanes were destroyed.

The aerial toll suffered by the British Air Force at the end of last week did not deter the intrepid English fliers, who continued this week to batter the German cities and many points in France, the Low Countries and Norway, which are vital to the Reich war effort. There were indications of sizable German airplane transfers from Russia to the Western European theatre of war, which may account for the heavy losses of the British, in part. London claimed immense damage to the Reich war potential, but Berlin dismissed the matter briefly. A few German aerial raids on English towns were reported.

In the war at sea the British suffered a grievous loss in the sinking of the famed destroyer Cossack, of 1,870 tons. The mere loss of the destroyer was announced by the Admiralty, Monday, and no details were furnished. The ship participated in many engagements and was a sort of symbol of British seapower and fighting ability. Berlin made daily claims of sizable sinkings of

(Continued on page 1038)

Reserve Banks Report On Business

Indications of the trend of business in the various Federal Reserve districts is indicated in the following extracts which we give from the "Monthly Review" of the Federal Reserve Districts of Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas and San Francisco.

◆

First (Boston) District

The Federal Reserve Bank of Boston, in its "Monthly Review" of Nov. 1, reports that in New England the level of general business activity during September was maintained at approximately the same high volume as that which prevailed in August, after allowances had been made for customary seasonal changes, and when compared with September a year ago was substantially higher. The Bank's "Review" further said:

> Total revenue freight carloadings in this district were 113,623 during the four-week period ending Oct. 11, an increase of 18.4% over the total for the corresponding period last year.
>
> Boot and shoe production in New England during September is estimated to have been 14,436,000 pairs, as compared with 15,556,000 pairs in August and 12,859,000 pairs produced during September, 1940.
>
> The amount of raw cotton consumed by mills in New England during September was 101,194 bales, as compared with a total of 100,441 bales in August and 72,502 bales in September last year.

Second (New York) District

The Federal Reserve Bank of New York, in its "Monthly Review" of Nov. 1, reports that during October business operations on the whole continued at a high level. The "Review" also notes that during September this bank's index of production and trade declined to 109% of estimated long term trend, four points below the figure for August and one point below that for July. The general level of productive activity appears to have held rather steady during July, August, and September, and the behavior of the index of production and trade over this period is largely accounted for by a sharp spurt in retail trade during August and a settling back in September. Continuing the Bank's summary says:

> Although the major group index of production showed stability during July, August, and September, changes were apparent in certain of its components. Output of consumers' durable goods, principally passenger cars, declined during this period, seasonal factors considered, as a result of official limitations upon production and shortages of vital materials. On the other hand, output of producers' durable goods showed additional marked gains in both August and September, reflecting further advances in such key defense industries as steel, shipbuilding, aircraft, and machinery. Production of nondurable goods was not much changed during the July-September period, either in the consumers' or producers' categories.
>
> After allowing for seasonal factors, sales volumes in various lines of retail trade were reduced sharply in September from the unusually high levels of August. Sales increases at department stores, mail order houses, and chain stores failed by considerable margins to measure up to usual seasonal proportions. Mainly a result of model changeovers and restrictions on production, retail sales of new passenger cars declined sharply in September, and for the first time this year fell below the figure for the corresponding month of 1940.

(Adjusted for seasonal variations and estimated long-term trend; series reported in dollars are also adjusted for price changes)

	1940	1941		
	Sept.	July	Aug.	Sept.
Index of Production and Trade	94	110	†113	†109
Production of—				
Producers' durable goods	‡96	126	†130	†133
Producers' non-durable goods	‡99	120	†118	†119
Consumers' durable goods	79	103	†96	†83
Consumers' non-durable goods	96	105	†105	†104
Primary distribution	87	105	†109	†108
Distribution to consumer	96	107	†116	†100
Industrial Production—				
Steel	114	126	125	130
‡Automobiles	114	149	103	86
Bituminous coal	96	130	117	†107
Crude petroleum	85	86	88	†89
Electric power	101	112	115	†115
Cotton consumption	‡111	155	152	144
Wool consumption	124	‡168	177	†205
Shoes	99	134	†118	†117
Meat packing	‡100	106	110	107
Tobacco products	90	96	97	101
Manufacturing Employment—				
Employment	98	120	120	†118
Man-hours of employment	95	‡120	122	†124
Construction—				
Residential building contracts	58	73	82	64
Non-residential building and engineering contracts	60	93	137	132
Primary Distribution—				
Railway freight car loadings, mdse. and miscellaneous	87	‡104	‡104	104
Railway freight car loadings, other	95	116	114	106
Exports	85	110	†134	---
Imports	76	91	†98	---
Distribution to Consumer—				
Department store sales (United States)	96	108	‡124	104
Grocery chain store sales	95	99	103	97
Variety chain store sales	99	108	126	111
Mail order house sales	98	111	131	104
New passenger car sales	87	104	90	†58
*Velocity of Deposits—				
Velocity of demand deposits, outside New York City (1919-25 average=100)	55	57	61	59
Velocity of demand deposits, New York City (1919-25 average=100)	25	26	27	27
*Cost of Living and Wages—				
Cost of living (1935-39 average=-00)	104	109	110	†111
Wage rates (1926 average=100)	114	123	123	---

†Preliminary.

‡Revised; in the case of automobiles the series has been revised.

*Not adjusted for trend.

Third (Philadelphia) District

It is stated by the Federal Reserve Bank of Philadelphia, in its "Business Review" of Nov. 1, that productive and distributive activity in the Third Federal Reserve District has been maintained at unusually high levels, owing to increasing defense work and heavy consumer demand. The Bank goes on to say:

> Recent gains have been somewhat smaller than seasonal and less extensive than prevailed in several earlier months, as the sustained rise since the first of the year has brought current operations in many lines of manufacturing near capacity and heavy anticipatory buying in wholesale and retail channels during the summer pushed sales to record volumes.
>
> Industrial production has been maintained at the peaks reached late in the summer. Manufacturing activity has increased further, particularly in such durable goods as metals and transportation equipment. The output of crude oil has also expanded more than was to be expected seasonally. Mining in both the anthracite and bituminous fields has increased, but the gains have been smaller than usually occur at this time of the year, owing partly to work stoppages and partly to an accumulation of supplies during the summer months. The output of electric power also has advanced slightly less than seasonally.

Fourth (Cleveland) District

The Federal Reserve Bank of Cleveland indicates in its Oct. 31 "Monthly Business Review" that "the increasing tempo of defense production at both new and previously existing plants in the Fourth District during late September and the first weeks of October was more than sufficient to offset declines in those industries which for various reasons, were finding it necessary to curtail production or cease operations entirely." The summary further states:

> Demand for labor by new airplane engine, powder, and shell-loading plants as well as companies making parts on a subcontract basis was great enough to cause general employment indexes to rise moderately to record high levels; payroll series were steady to fractionally lower, reflecting customary seasonal declines in such industries as clothing and shoes.
>
> In lines more closely related to the defense effort, production continued near practical capacity limits of existing facilities.

Fifth (Richmond) District

The Oct. 31 "Monthly Review" of the Federal Reserve Bank of Richmond indicates that "the aggregate volume of business and industry in the Fifth Federal Reserve District in September and early October expanded further, chiefly due to seasonal influences." The following is also from the summary:

> Distribution of consumer goods showed the usual seasonal increase in September except in furniture and automobiles. Department store sales rose 11% from August to September, and in the latter month were 19% above September, 1940, sales. . . . Wholesale trade in September in the Fifth district exceeded August, 1941, trade by 10% and September, 1940, trade by 49%.
>
> Industrially the district worked at virtual capacity levels in September. Cotton textile mills, many of them working on defense orders, consumed more cotton than in any previous September, and tobacco manufacturers set a new all time monthly record in the production of cigarettes. Bituminous coal mined in September was 18% above the September, 1940, tonnage. Shipyards, airplane factories, rayon yarn mills, chemical industries and lumber mills continued operations at or near record levels and construction, while somewhat handicapped by priorities, showed no signs of recession.

Sixth (Atlanta) District

The following regarding business conditions in the Sixth Reserve District is from the Oct. 31 "Monthly Review" of the Federal Reserve Bank of Atlanta:

> In September all previous records of construction contracts awarded in the Sixth District were broken, building permits issued at reporting cities recorded a substantial gain, and there were further increases in textile operations and in pig iron production. Department store sales, however, declined in September, after allowance is made for the usual seasonal change, although the September index is the highest on record for that month, and wholesale trade increased less than it usually does in September as compared with August.

Seventh (Chicago) District

In its Nov 3 issue "Business Conditions" the Federal Reserve Bank of Chicago states that "although production, employment, and trade continued at a high level during September and the first half of October, there was a noticeable slackening in the upward sweep of business in the Seventh Federal Reserve District. This was brought about in part by the shifting of industry from civilian to defense production which is an engineering problem that involves more than just the utilization of machines." The Bank further reports:

> In the adaptation of machine tools to the production of specific defense items, questions of plant balance must be studied, if serious dislocations in productive capacity are to be avoided. Although progress has been made in the solution of these technical problems, raw material shortages still exist, and lack of plant facilities in some industries and incomplete utilization in others continue to retard the production program. Employment and wage payments edged upward, and the cost of living in the principal cities of the district continued to advance.
>
> Durable goods industries helped maintain a high level of productive activity. This was particularly true in steel which continued to operate above rated capacity throughout September although handicapped by the steel scrap situation which became tighter. Notwithstanding price adjustments which were made, the increases were not sufficient to overcome freight differentials and draw supplies of scrap from other districts. The pig iron industry established a new average daily production record of 34,852 tons, which is an increase over the previous high attained in August. Castings, both steel and malleable, were produced in tempo with the activity of the industry and were up over the previous month.
>
> Maximum quotas set for automobile production were not attained, although the number of units coming off assembly lines exceeded the ten-year average, and weekly production rose from a September low of 33,000 to 77,000.
>
> Reporting paper mills showed no gain, and pulp production was maintained at the levels recorded the month previous. Furniture, which is one of the important industries of the district, continued to operate at 97% of capacity.

Eighth (St. Louis) District

The Federal Reserve Bank of St. Louis reports that "Eighth District industry and trade continued to maintain high levels of activity throughout September and early October." In the Bank's Oct. 31 "Business Conditions" it is also stated:

> Unemployment began to appear in some lines with the curtailment of production of refrigerators, automobiles and other heavy durable goods. Employment continued to rise, however, at plants working on defense orders.
>
> Output of bituminous coal at mines in this area in September decreased 3% from August but was 20% over September, 1940. Steel ingot production at mills in the district as of mid-October dropped to 83% of capacity from the 98% level obtained a month ago. September consumption of electricity by industrial users was 1% and 31% greater, respectively, than a month and a year ago.
>
> September sales of department stores in the principal cities of the district were 10% above August and 25% greater than a year earlier.

Ninth (Minneapolis) District

The Oct. 28 "Monthly Review" of the Federal Reserve Bank of Minneapolis has the following to say in part:

> Business activity during September declined somewhat but continued near the high level reached in August. Retail trade in the district was 22% over a year ago in dollar amount. Member bank loans to customers were at the highest level since 1930. Deposits at member banks reached a new high of $1,275,000,000. Farm product prices advanced during September. Farmers' cash income from hogs was 75% greater than in September, 1940.

Tenth (Kansas City) District

The following regarding business conditions in the Tenth Federal Reserve District was reported in the Oct. 31 "Monthly Review" of the Kansas City Federal Reserve Bank:

> Retail trade in September was nearly a fourth larger than last year although department store sales did not maintain this gain in the first half of October due probably to tax anticipation buying in September.
>
> The rate of increase in most lines of production continues to accelerate. This is especially true in the case of flour, petroleum, and coal production, livestock slaughter—except hogs—and zinc and lead shipments. Construction continues very active.

Eleventh (Dallas) District

According to the Dallas Federal Reserve Bank, "acceleration of industrial output in this district is indicated by persistent increases in employment at manufacturing establishments, and the rising volume of payrolls, accompanied by increased cash farm income, has created unprecedented consumer demands for merchandise for the season." In its Nov. 1 "Monthly Business Review" the Bank also reports:

> During September consumer purchases at department stores were at the highest level of record for that particular month, and the distribution of merchandise through wholesale channels continued at a rate about one-third higher than a year earlier. Construction work on national defense projects has been increased by the letting of a large volume of new contracts, and the output of defense goods is expanding. . . . The daily average rate of petroleum production showed little change from August to September, while refinery operations continued to expand. Consumption of cotton at Texas textile mills averaged one-fourth higher than in September, 1940. Growing crops as well as harvesting operations, were affected adversely by unfavorable weather in September and the first half of October, and prospective production of some important cash crops declined. Livestock and ranges continued in good to excellent condition.

Twelfth (San Francisco) District

Viewed over the first nine months of the year, a large expansion has taken place in Twelfth Federal Reserve District industrial production and employment, it is indicated in the Oct. 30 "Business Conditions" is-

(Continued on page 1038)

IBA Representatives And Others Discuss Proposed Securities Acts Amendments

During the hearings before the House Interstate and Foreign Commerce Committee on the proposals to amend the Securities laws, Representative Cole, (Democrat) of Maryland, a member of the Committee indicated (on Oct. 29), that he favored an increase in the number of members comprising the Securities and Exchange Commission. It was pointed out in Washington advices Oct. 29 to the New York "Herald Tribune" that the Investment Bankers Association, the National Association of Securities Dealers, Inc., the New York Stock Exchange and the New York Curb Exchange recommended that the number of members on the SEC should be increased from five to nine and their salaries should be raised to $15,000 annually. In addition, a term of office of ten years instead of four was proposed. Last July when the industry proposed this suggestion, the SEC objected, and its opposition, said the "Herald Tribune," was voiced again on Oct. 29 when Ganson Purcell, member of the SEC, asserted that the present membership of the Commission could handle all of the problems which come up.

Laurence M. Marks, of Laurence M. Marks & Co., member of the board of governors of the National Association of Securities Dealers, Inc., and Edward B. Twombly, of the law firm of Putney, Twombly & Hall, appeared before the Committee on Oct. 30, at which time, said the "Herald Tribune" in its advices from its Washington bureau, Mr. Twombly threw his support to a bill to amend the two securities acts, the trust indenture Act and the investment company Act of 1940, which was introduced last June by Representative James Wadsworth, Republican, of New York.

From the same advices we quote:

> Mr. Jones contended that the changes in the securities act of 1933 and the securities exchange act of 1934 would impede rather than facilitate the flow of capital at a time when the major problem of business is expanding production for defense.
>
> His views were questioned by a number of members of the committee. For example, Mr. Wadsworth asked the witness how the association could oppose these changes, inasmuch as a survey which he conducted indicated that some NAM members approved.
>
> Later Mr. Twombly offered for the records excerpts from letters supporting liberalization of the securities act to permit small business to finance its capital needs without the impediments which the securities laws place in their path.

On Oct. 31, Congress was asked to relax regulations relating to the sale of securities in order that "we may still do business" and yet give prospective purchasers full information. In making this request R. McLean Stewart, Chairman of the Securities Act Committee of the Investment Bankers Association told the House Committee that the industry and the SEC were in disagreement over such a revision. Noting this the Associated Press said:

> The Commission has favored a prohibition on all sales made on and after the effective date of a registration statement of the security unless a general prospectus has been given to the purchaser not less than 24 hours after the sales contract is made.
>
> Mr. Stewart said such a procedure would be a burden to the industry and recommended this proposal instead: During the first seven days of public offering of a security, no sale can be made unless such a prospectus is presented to the purchaser, or if not presented, one must be sent within one business day with a written confirmation of the sale and the absolute right to cancel the contract by noon of the next business day.
>
> "What we are trying to do here is to find means to still do business and still give the purchaser the information and full opportunity to read the prospectus before he parts with value," Mr. Stewart said.

Complaints by security dealers describing themselves as "little fellows" were made on Nov. 4 befor the Committee, these dealers complaining of their inability to obtain new issues as readily as institutional buyers closer to Wall Street. They maintained that the Securities Act of 1933 and its administration by the Securities and Exchange Commission had meant that their customers could obtain only issues of lower quality. As to this the Associated Press said in part:

> Rush S. Dickson of Charlotte, N. C., member of the Investment Bankers Association, said that section 5 of the Act, which prohibits sending a customer throguh the mail anything of value for analyzing a security before its registration statement becomes effective, was "prohibiting us from getting any useful information into the hands of our customers until it is too late to be of value to them."
>
> Edward H. Hilliard of Louisville, member of the IBA, told the Committee that while he could discuss forthcoming issues with his larger customers in Louisville, he could not, before the effective date of registration, "afford to take the risk of mailing to a large list of individuals any information because this action puts the right of decision in the hands of any recipient who merely indicates a tentative interest in this offering."
>
> The securities industry has suggested that during the first seven days after the effective registration date a sale be allowed without a general prospectus provided one is sent to the customer immediately, with the customer having the right to cancel the sale within another business day.
>
> Representative Wadsworth, Republican, New York, inquired why brokers were prohibited from giving certain general information to their customers, while at the same time it was legal for newspapers to carry advertisements giving almost the same details. He termed it "a very curious practice for a government agency to indulge in."
>
> R. McLean Stewart, Chairman of the Securities Act Committee of the IBA, concluding the IBA's opening statement, told the Committee:
>
> "The proposals as to Section 5 which are being put forward as our proposals are certainly not relaxations of the statute designed to suit the convenience of underwriters and dealers at the expense of investors, as the Commission suggests in its report.
>
> "Far from it. For the most part, they represent almost pathetic willingness on the part of business to accept the Commission's point of view. But we could not go all the way along the road which the Commission wishes us to travel because to do so would, in our best judgment, make it virtually impossible to conduct business."
>
> Frayser Jones, spokesman for the National Association of Manufacturers, said he wanted to clarify a previous statement that the NAM thought "this might not be an appropriate time" to change the law.
>
> He said that some of the amendments represented "a backward step" but that he did not want to voice any opposition to proposals to simplify registration statements.

Soviet Russia Granted $1,000,000,000 Credit By U. S. Under Lend-Lease Act

The United States has arranged to grant Soviet Russia a loan of $1,000,000,000 under the Lend-Lease Act, according to an exchange of letters between President Roosevelt and Premier Josef Stalin made public by the State Department on Nov. 6.

The President's letter to Premier Stalin, dated Oct. 30, said that the loan will be used for the purpose of paying for military equipment, munition items and raw materials and proposed that the indebtedness incurred be subject to no interest charges, that payments on the loan begin five years after the end of the war and be completed over a ten-year period. Saying he had examined the record of the recent Moscow supply conference and discussed it with members of the American mission, Mr. Roosevelt sent assurances to Mr. Stalin that "we will carry out to the limit all the implications thereof." The $1,000,000,000 supply loan was made, the President said, "in an effort to obviate any financial difficulties." The President suggested that Russia make special efforts "to sell us the available raw materials and commodities which the United States may need urgently under the arrangements that the proceeds thereof be credited to the Soviet Government's account." These materials, the State Department said, would include magnesium ore, magnesite, potash, apatite, phosphate rock and asbestos.

In his reply, Mr. Stalin said the loan "is accepted with sincere gratitude by the Soviet Government as unusually substantial and in its difficult and great struggle against our common enemy, bloodthirsty Hitlerism." He also agreed to the conditions set for the loan and said the Soviet Union "stands ready" to supply the United States with available raw materials. The State Department made public as follows the correspondence between President Roosevelt and Premier Stalin, according to the Associated Press:

> The following is the paraphrase of a text of a letter addressed by the President under date of Oct. 30, 1941, to Mr. Joseph Stalin:
>
> "I have examined the record of the Moscow Conference and the members of the mission have discussed the details with me. All of the military equipment and munitions items have been approved and I have ordered that as far as possible the delivery of raw materials be expedited.
>
> "Deliveries have been directed to commence immediately and to be fulfilled in the largest possible amounts. In an effort to obviate any financial difficulties, immediate arrangements are to be made so that supplies up to $1,000,000,000 in value may be effected under the Lease-Lend Act.
>
> "If approved by the Government of the U. S. R. R., I propose that the indebtedness thus incurred be subject to no interest and that the payments by the Government of the U. S. S. R. do not commence until five years after the war's conclusion and be completed over a ten-year period thereafter.
>
> "I hope that special efforts will be arranged by your Government to sell us the available raw materials and commodities which the United States may need urgently under the arrangement that the proceeds therefore be credited to the Soviet Government's account.
>
> "At this opportunity I want to tell you of the appreciation of the United States Government for the expeditious handling by you and your associates of the Moscow Supply Conference and to send you assurances that we will carry out to the limit all the implications thereof. I hope that you will communicate with me directly without hesitation if you should so wish."
>
> The following is a paraphrase of the text of a letter by Mr. Joseph Stalin under date of Nov. 4, 1941, to the President of the United States:
>
> "The American Ambassador, Mr Steinhardt, through Mr. Vishinsky [Soviet Vice Commissar of Foreign Affairs], presented to me on Nov. 2, 1941, an aide memoire containing the contents of your message, the exact text of which I have not yet received.
>
> "First of all, I would like to express my sincere thanks for your appreciative remarks regarding the expeditious manner with which the Conference was handled. Your assurance that the decisions of the Conference will be carried out to the limit is deeply appreciated by the Soviet Government.
>
> "Your decision, Mr. President, to grant to the Soviet Union a loan in the amount of $1,000,000,000 subject to no interest charges and for the purpose of paying for armaments and raw materials for the Soviet Union is accepted with sincere gratitude by the Soviet Government as unusually substantial aid in its difficult and great struggle against our common enemy, bloodthirsty Hitlerism.
>
> "I agree completely, on behalf of the Government of the Soviet Union, with the conditions which you outlined for this loan to the Soviet Union—namely, that payments on the loan shall begin five years after the end of the war and shall be completed during the following ten-year period.
>
> "The Government of the U. S. S. R. stands ready to expedite in every possible way the supplying of available raw materials and goods required by the United States.
>
> "I am heartily in accord with your proposal, Mr. President, that we establish direct personal contact whenever circumstances warrant."

The agreement reached at the Moscow Conference was referred to in our issue of Oct. 9, page 527.

Other recent financial transactions with Russia included the U. S. Treasury advance of $30,000,000 in October against future Soviet gold shipments (a previous $10,000,000 advance against gold shipments having already been repaid) and the Reconstruction Finance Corporation contracting in September to buy $100,000,000 worth of strategic Russian materials, with advances up to $50,000,000 being made against the purchase price of the materials, to be used by Russia in paying for purchases in this country. These agreements were referred to in these columns Oct. 30, page 831, and Oct. 2, page 412, respectively.

Foreign Front

(Continued from page 1036)

British and allied merchant ships, but no confirmation is available under the rule of silence imposed at London. Canadian authorities made it known, last week, that German submarines are operating clear to the coastline of Newfoundland and even in Belle Isle Strait. This suggests an imposing Reich submarine total.

European Conference

Germany soon may move in a general European conference for an organization of that vast and populous area in the "New Order" of the Nazis. Rumors to this effect were prevalent in a number of European capitals this week, and also received adverse comment from Prime Minister Churchill. Although the British naturally are not interested in such a conference, it is hardly to be doubted that some of the conquered European peoples would welcome some effort to improve their terrible situation.

The most persistent reports of the impending conference emanated from the French capital of Vichy, with Vienna named as the probable meeting place of the arrogant Nazis and their subject peoples. Official Berlin, however, professed to know little of these plans, possibly because they depend upon prior subjugation of European Russia. There were no indications, meanwhile, of any improvement in the economic and political plight of occupied Europe. Vichy seems to be drawing closer to Berlin, which is hardly a matter of satisfaction. The German "crusade against Bolshevism" was commended last week by the aged Marshal Petain, as French recruits marched off to aid the Nazis in Russia.

Reserve Banks Report On Business

(Continued from page 1037)

sue of the Federal Reserve Bank of San Francisco. The review further says:

> Expansion, although still continuing, was less pronounced in August and the retarded rate of increase was somewhat more evident in September. In the field of construction, value of permits issued for private residential building decreased in September for the second successive month, although some seasonal expansion is customary at this time of year, and the value of non-residential building was also lower. . . . Retail trade was somewhat less active than in the preceding month, seasonal influences considered, but the decline was from an unusually high level.
>
> While activity in local defense industries, centering principally about aircraft production and shipbuilding, expanded further in September, and output in other major district industries was generally well maintained, there was some evidence in September and early October that operations and employment in a number of smaller plants using metals but manufacturing products not essential to defense had been curtailed because of lack of materials.

Curb Seat Retirements

Arrangements have been made by the New York Curb Exchange to purchase and retire the membership of J. C. Richter and Victor A. Romagna, deceased. These will be the thirteenth and fourteenth seats to be retired under the plan adopted by vote of the membership on July 29. Present market for seats is $1,000, bid by the Exchange, offered at $2,500.

Germany Refuses To Consider Compensation To U. S. For Sinking of Robin Moor

The German Government, it was made known on Nov. 3, has decided to withhold consideration of the United States' demand for $2,967,092 in full settlement for the losses and damages sustained as a result of the sinking of the American vessel, Robin Moor, by a German submarine on May 21 in the South Atlantic ocean. This was disclosed on Nov. 3 by Secretary of State Hull, who made public an exchange of correspondence with Hans Thomsen, German Charge d'Affaires at Washington. It was also revealed that a copy of President Roosevelt's message to Congress on the sinking, transmitted on June 20, was sent to the German Embassy "for the information of the German Government," but that Mr. Thomsen did not find himself in a position to pass it on to his Government.

Secretary Hull's note to Mr. Thomsen regarding reparations follows:

Sept. 19 1941.

Sir:

Reference is made to the Department's communication of June 20, 1941, with which there was transmitted, by direction of the President of the United States, a copy of a message addressed on that date by the President to the Congress of the United States in which it was stated that the German Government would be expected to make full reparation of the losses and damages sustained by American nationals as a consequence of the unlawful sinking of the American vessel, Robin Moor, by a German submarine on May 21, 1941, in the South Atlantic Ocean.

I now have to inform you that after an investigation undertaken for the purpose of ascertaining the extent of the losses and damages sustained, and with a view to effecting a prompt liquidation of the matter, the Government of the United States is prepared to accept, for appropriate distribution by it, the lump sum of $2,967,092, currency of the United States, in satisfaction and full settlement of all claims of the United States and its nationals against the German Government for losses and damages sustained as a consequence of the sinking, subject, however to the condition that payment of that sum by the German Government be effected at Washington within 90 days from this date.

While the sum mentioned includes an amount representing the value of property of this Government which was on board the vessel, no item of punitive damage is included.

Accept, sir, the renewed assurances of my high consideration. CORDELL HULL.

Herr Hans Thomsen,
Charge d'Affaires ad Interim of Germany.

The German Embassy acknowledged the note on Sept. 19 and said that it had been transmitted to the German Government. On Sept. 26, Mr. Thomsen sent the following note to Mr. Hull:

Washington, D. C.,
Sept. 26, 1941.

Mr. Secretary of State:

On the 19th day of this month you sent me a new note with reference to your communication of June 20 of this year concerning the American steamer "Robin Moor." I have the honor to reply to your herewith that the two communications made are not such as to lead to an appropriate reply by my Government. In this regard I refer to my note of June 25 (June 24) of this year.

Accept, Mr. Secretary of State, the renewed assurances of my most distinguished consideration. THOMSEN.

His Excellency,
Cordell Hull, Secretary of State of the United States.
Washington, D. C.

The President's message on the sinking of the Robin Moor was given in our issue of June 21, page 3899, while the sinking was reported in these columns June 14, page 3737.

Instalment Credit Regulations Amended By Federal Reserve Board—Effective Dec. 1

The Board of Governors of the Federal Reserve System announced on Oct. 27 that it has adopted, effective Dec. 1, 1941, several amendments to Regulation W, dealing with instalment credit. The amendments are mainly of an administrative and technical nature, according to the Board's announcement, which further states:

The amendments include adoption of the so-called "purpose test," requiring a borrower on an instalment loan, after Jan. 1, 1942, to sign a statement as to the purpose of the loan; exempting business instalment loans from the Regulation, as well as loans to purchase or construct an entire building, and making the 18-month maximum maturity apply to all instalment loans of $1,500 or less, instead of $1,000 or less, as previously provided. In addition, more liberal provisions have been adopted to facilitate repayment of instalment loans by farmers in accordance with the seasonal nature of their income. Also, in the case of so-called "add-ons," options are provided—either the additional credit may be treated separately, or the combined credit may be paid in 15 months, the monthly payments to be not less than they would have been without the add-on.

As amended, the Regulation closes the loophole whereby, although dealers in listed articles were required to obtain down payments, cash lenders were free to lend the full price unless the article was given as security for the loan.

Other provisions are as follows:

All instalment loans of $1,500 or less which are not for the purpose of purchasing a listed article are made subject to the 18-month maturity limit (except modernization loans, where the figure remains $1,000).

Down payments of $2 or less will no longer be required; and the $5 minimum on monthly instalments (which was to become effective Jan. 1, 1942) is eliminated.

The extension of an instalment loan which is for the purpose of making a down payment on a listed article is prohibited.

All business loans are exempted from the Regulation unless they are for the purpose of purchasing listed articles.

The provision covering instalment credit for farmers permits any schedule of payments, if the down payment and maturity requirements of the Regulation are complied with, and if one-half of the balance is paid within the first half of the maximum maturity.

These amendments, says the Board, are effective Dec. 1, 1941, and the provisions of the Regulation which were to have become effective on Nov. 1 are postponed to Dec. 1.

Air Associates Plant In Bendix Seized After Mediation Board Efforts Fail

The month long tie-up at the Bendix, New Jersey, plant of Air Associates, Inc. was terminated Oct. 31, when the War Department, acting under orders of President Roosevelt, took over the plant. It was the third plant seized by the government during the present emergency; the first instance was the seizure by the Army on June 9 of the North American Aviation plant at Inglewood, California, and the second was the taking over by the Navy on Aug. 23 of the Federal Shipbuilding & Drydock Yards at Kearny, New Jersey.

It had seemed a few days previous that this action might be avoided in the case of Air Associates, for on Oct. 24 it was announced that parties to the controversy had agreed to accept recommendations of the National Defense Mediation Board. However, the strikers refused on Oct. 27 to resume production, holding that the company was invalidating seniority rights, placing men in wrong jobs and otherwise violating both the letter and the spirit of the agreement.

President Roosevelt stepped into the situation Oct. 30 after there had been two clashes between strikers and non-union employees when efforts were made to put the former back to work. The strikers were injured by the men working in the plant and two interruptions of production took place. Word was sent by the union to its men working in other plants in the metropolitan area to quit their jobs and go to Bendix to take part in a huge demonstration there Oct. 31. When the President heard of these events he ordered troops to take over the plant.

Following is a statement issued by President Roosevelt Oct. 30 in explanation of his action:

Continuous production in the Bendix, N. J., plant of Air Associates, Inc., is essential to national defense. It is engaged in manufacturing for the United States, and its contractors, military aircraft parts and accessories vital to the defense of the nation.

Production in this plant is now seriously impaired because of a labor dispute, and cessation of work is imminent. In July a strike was called at the Bendix plant by the United Automobile Workers of America, which had been certified by the National Labor Relations Board as the sole collective bargaining agency. Unsuccessful efforts at conciliation were made by the conciliation service of the Department of Labor and the New Jersey State Board of Mediation and the Labor Division of the Office of Production Management. On July 17, 1941, the Secretary of Labor certified the dispute to the National Defense Mediation Board.

The Board was successful in arranging a resumption of production pending consideration of the many issues in the controversy. Negotiations between the parties proceeded through August and September without tangible results. On Sept. 30, 1941, another strike was called and the board immediately scheduled another hearing. The board made extensive efforts to arrange for a termination of the strike but the company refused to agree to take the strikers back to their former jobs.

On Oct. 9, 1941, the board again issued a formal recommendation calling for immediate termination of the strike and calling for the company immediately to return all strikers to their former jobs.

The union accepted these recommendations, but, despite all attempts by the board, the Office of Production Management and the War Department, the company has failed to carry out its part of the recommendations.

As a result of this failure on the part of the company, production of this plant is gravely jeopardized.

Therefore, as President and Commander in Chief of the armed forces of the United States, I have directed that the Secretary of War should immediately take possession of and operate the plant and remain in charge and continue to operate the plant as long as may be required in the interest of national defense.

Our country is in serious danger. The products of this plant play an indispensable part in defense. I call upon all workers in this plant to cooperate with the War Department in insuring an immediate resumption of maximum production.

Petroleum And Its Products

(Continued from page 1031)

taining their automobile trade since aviation needs will materially cut available supplies.

"I would not be surprised to see considerable change in lubricating oil specifications," he ventured, "at least for the duration of the emergency. Before we get much further along, it probably will be found that lubricating oils will have to last longer than they did a year ago. Serious reconsideration of the 1,000-mile lubricating program may be desirable."

An increase of ½ cent a gallon, sought in gasoline prices by Standard Oil Co. of Kentucky, this week was approved by the Office of Price Administration which held that the company is strictly a marketing company and has been absorbing increased refinery costs which had been passed along to it. The OPA approval ruled that the price increase is justified and may be made if the company agrees to reduce the price if, at any time in the future, its refinery or transportation costs should be reduced.

Reassurance that the return of the American tankers loaned to Great Britain has ended any danger of a shortage of oil transportation facilities on the East Coast was given this week in a letter from Admiral Emory S Land, Chairman of the Maritime Commission, to the Hart subcommittee of the House Merchant Marine Committee. In reporting that the 40 tankers returned should be in the hands of their American owners by the end of November, Admiral Land disclosed that the Maritime Commission is working with the Petroleum Coordinator to see that the tankers were used to serve defense and essential commercial needs of the United States, Britain, Russia and Latin America.

A Tuesday holiday, for the second consecutive week, resulted in the delay of the release of the refinery figures of the American Petroleum Institute for the week ended Nov. 8. Figures for the week ended Nov. 1, delayed because of the Election Day holiday, showed a contra-seasonal contraction of gasoline stocks, which dipped 120,000 barrels to 83,223,000 barrels of finished, unfinished and aviation motor fuel. East Coast stocks were off 327,000 barrels, indicating accumulation of inventories in other sections of the Nation.

The decline was in the face of a fractional gain in refinery operations which were up 0.4 of a point to 94.6% of capacity. Daily average runs of crude oil to stills rose 20,000 barrels to 4,080,000 barrels but production of gasoline during the week was off 182,000 barrels at 13,504,000 barrels. Inventories of residual fuel oil showed a seasonal gain of 1,232,000 barrels at 96,527,000 barrels, with stocks of gas oil and distillate gaining 583,000 to 53,766,000 barrels.

Representative price changes follow:

Nov. 5—Standard Oil of Kentucky advanced gasoline prices ½ cent a gallon with the approval of the Office of Price Administration.

U. S. Gasoline (Above 65 Octane), Tank Car Lots, F. O. B. Refinery

New York—	
Socony-Vac.	$.085
Tide Water Oil	.09
Texas	.085
y Shell Eastern	.085
Other Cities—	
Chicago	.06-.06⅜
Gulf Coast	.06-.06
Oklahoma	.06-.06⅜

y Super.

Kerosene, 41-43 Water White, Tank Car, F. O. B. Refinery

New York (Bayonne)	$.055
Baltimore	.0525
Philadelphia	.0525
North Texas	.04
New Orleans	.05⅜-.06
Tulsa	.04⅜-.04¾

Fuel Oil, F. O. B. Refinery or Terminal

N. Y. (Harbor) Bunker C	$1.35
Diesel	2.00
Savannah, Bunker C	1.30
Philadelphia, Bunker C	1.35
Gulf Coast	$.85-.90
Halifax	1.60

Gas Oil, F. O. B. Refinery or Terminal

N. Y. (Bayonne) 7 plus	$.04
Chicago, 28.30 D	.053
Tulsa	.03⅛-.03

OPM Tightens Control Of Cotton Linters

Further restrictions on the processing and distribution of cotton linters were announced on Nov. 4 by the Office of Production Management Priorities Division. In amendments to the Aug. 20 preference order covering cotton linters, it is stipulated that no deliveries of second-cut cotton linters may be made, save to plants engaged in the chemical industry in the United States, its territories and possessions, and the Philippine Islands, and the amended order restricts their use to the production of purified cotton linter pulp.

Placing of cotton linters under priority control was indicated in these columns Aug. 23, page 1073. Cotton linters are needed for the manufacture of smokeless powder and plastics.

Firm Penalized For Violation Of Priority

The Government's first order penalizing a firm for the alleged diversion of critical materials for non-defense work was issued on Oct. 16 by Donald M. Nelson, Priorities Director of the Office of Production Management. From Washington Oct. 16 the United Press reported:

Mr. Nelson's action bars the company from buying aluminum, now under Government rationing, or from filling any orders for aluminum products other than defense contracts entered into before Oct. 1. The order prohibits further delivery of aluminum to or from the company.

Similar orders are contemplated against other firms found to be violating priorities regulations, Mr. Nelson said.

The company employs about 250 men. In addition to its aluminum operations, it also fabricates brass and zinc products which are not affected by the order. About 60% of the company's business is in aluminum, however.

Mr. Nelson explained that he signed the order after an exhaustive investigation. The major charge against the company was that in July it allegedly shipped 41,449 pounds of aluminum products in direct violation of priorities orders.

The War And Marine Insurance

Insurance companies in the United States, benefitting from lessons of World War I and observing Government insurance organizations set up in Europe, were ready for the present war even before it started. The American Cargo War Risk Reinsurance Exchange was in full operation when Germany invaded Poland in August, 1939. Almost every domestic insurance company, writing ocean cargo insurance, participates in this Exchange and, through it, every war-risk policy, issued by any member company, is back by the resources of all other members. The Nation's shippers thus obtain standard rates, standard policy conditions and ample financial resources behind their insurance. For marine underwriters, the first two years of war have proved highly difficult.

The year 1941 got under way with fighting in Libya and Ethiopia. Hostilities broadened through the Balkans, swept through Greece and Crete. Now Russia fights Germany on a 3,000-mile front. Of course, foreign trade between the Mediterranean area and the United States came to a standstill. Imports from Turkey were routed via Suez and Cape of Good Hope instead of via Gibraltar, which added expense of canal tolls and higher freight rates for the longer voyage. Such voyages cross the Equator twice, making special precautions necessary for cargo protection in the ship's hold. Duration of the trips is two or three times as long on such voyages as it would be in peace time. It is now past history that underwriters suffered heavy losses on tobacco shipped from Mediterranean ports via Suez and the Cape. Marine insurance rates went up on such voyages.

Our Neutrality Act prohibited American ships from traveling to the War Zone as defined by the President. At first they were excluded from the waters of Great Britain and Ireland, France, Holland, Belgium, Germany, Norway south of Bergen, and the Baltic Sea. These restrictions naturally were disturbing to certain American steamship lines which had built up a substantial trade with those countries. The merchant vessels of Germany were withdrawn from trade immediately upon declaration of war. British and French ships were commandeered by their respective governments for national service, leaving only neutral fleets to carry on. These circumstances contributed to a great shortage of tonnage. Old vessels, which had been laid up for years, were pressed into service. This redistribution of tonnage required close observation by underwriters and higher rates when inferior ships were involved. Fast loading of steamers with the probability of improper stowage, and hasty unloading, tend to increase losses, with inevitable increase in marine insurance rates.

Shortage of materials cause voyages over routes which would not be used in time of peace. Shortage of ships brings out vessels unsuited to the run and commodity carried. Every time the international situation shifts, these shipping problems change also. Each of these circumstances is echoed by fluctuating freight rates, changing commodity quotations and usually by a new set of marine insurance rates.

Before this article appears in print, new circumstances may have arisen. A ship sailing now for the Far East usually will not complete her run for seven or eight weeks. Marine insurance rates which apply today may be distinctly out-of-date by the time she arrives.

Ocean **Cargo** insurance rates are increased when ships, instead of utilizing regular routes, radio, weather reports, lighthouses and other navigation aids, run zig-zag in convoy, close to others, with lights out and radio silent. These handicaps, together with darkness, fog and storm, are highly conducive to collissions. At belligerent ports, moreover, storage and warehousing of cargo are impeded by blackout or air raid and frequently disrupted by heavy port traffic. If such increased hazards were not contemplated in the basic marine rate for cargo insurance, the war-zone surcharge put into effect, and increased last spring, may prove insufficient.

Ocean **War Risk** insurance rates are sensitive day by day to the world political picture. Broadly speaking, war-risk insurance applies only when the cargo is on board the overseas vessel, although a new phase developed last July, following the Japanese Government's recall of its flag steamers, preventing their sailings with goods to the United States. This action probably tied up millions of dollars worth of merchandise owned by American interests. In an endeavor to relieve this situation, marine underwriters deviated somewhat from the fixed restriction of war risk coverage only while afloat, and offered limited protection to bona fide American interests.

For American owned cargo on which war risk insurance has heretofore attached, but which cargo, due to recent acts of the Japanese Government, is now afloat or on shore at a port of transhipment in Japan or Japanese controlled territories, it is at present possible to secure insurance against physical damage for fixed periods of time. This includes damage or destruction by named perils, such as bombs, gunfire or torpedoes, but excludes capture, seizure, arrests, restraint, etc.

Cotton Insulation

The Department of Agriculture announced on Nov. 1 the 1941-42 Cotton Insulation Program under which up to 12,000,000 pounds or about 27,600 bales of cotton, card strips and comber waste may be utilized in the manufacture of cotton insulation. Card strips and comber waste, said the Department, are mostly short fibers removed as waste in the manufacture of cotton yarn. The program is similar to cotton insulation programs operated by the Surplus Marketing Administration in 1939-40 and 1940-41 and seeks to encourage new uses for cotton grown in the United States. Details were given by the Department as follows:

> Under the 1941-42 program, Federal payments at the rate of 9 cents per pound will be made through SMA to holders of approved applications who manufacture and sell insulation made of cotton, card strips, or comber waste. The insulation must be manufactured or sold not later than June 30, 1942. Payments made to manufacturers will cover the cotton as it is impregnated for resistance to fire, but will not include backing material and metal fasteners.

Department officials say that if cotton insulation can be successfully introduced to 10% of its potential markets, there will exist a new and non-textile domestic market annually for about 750,000 bales of cotton.

As an insulation material for use in the construction of homes and buildings, the product is in growing demand as it combines the advantages of low installation cost, non-hazardous application, and insulating qualities comparable to the best of other materials.

James Speyer Formerly Head Of Speyer & Co. And Prominent Financial Figure Is Dead

James Speyer, retired financier and philanthropist, who was for many years prominent in New York banking circles, died on Oct. 31 at his home in New York City; he was 80 years of age. Before his retirement on June 30, 1939, Mr. Speyer had been senior partner of his family's international banking firm, Speyer & Co., for 40 years.

Mr. Speyer, a descendant of a long line of Frankfort on the Main (Germany) bankers who have been prominent since the Seventeenth Century, was born in New York City on July 22, 1861, the eldest son of Gustavus and Sophie (Rubino) Speyer. When he was three years old, his parents took him to Frankfort where he received his education. Mr. Speyer obtained his early business training in London and Paris banking houses and in 1885 he returned to New York City to become a partner in his family's New York banking firm, Speyer & Co. The firm was established in 1837 by his uncle, Philip Speyer, and was discontinued in 1939 when Mr. Speyer retired from active business. He had been its senior partner since 1899.

Mr. Speyer became interested in civic affairs shortly after his arrival in New York and served on various committees and boards before the turn of the century. He had always been independent in politics.

Always showing a keen interest in charitable and educational undertakings, Mr. Speyer's active participation and financial contributions (given anonymously) were instrumental in bringing about the erection of five buildings in New York City devoted to educational and philanthropic purposes. They are: University Settlement Society (founded 1886; Settlement House—184 Eldridge Street—erected 1896); Provident Loan Society of New York (founded 1894; its main office, 346 Fourth Ave., was erected 1909); Speyer School, 514 West 126th St., presented by Mr. and Mrs. Speyer to Teachers College, Columbia University; Ellin Prince Speyer Hospital for Animals, 350 Lafayette St., founded 1910 by Mrs. James Speyer), and Museum of the City of New York (founded 1929; Museum building on Fifth Ave. between 103rd and 104th Streets erected 1929).

Mr. Speyer was active in the United Hospital Fund of New York and the Salvation Army for many years. He also was a founded of the American Museum of Safety,(the Economic Club of New York and the National Academy Association.

Mr. Speyer was a Trustee of Mount Sinai Hospital from 1902-1935, when he was elected an Honorary Trustee.

Mr. Speyer was a Vice-President, and the third oldest member of the Chamber of Commerce of the State of New York in years of affiliation, having been elected on June 4, 1891. He was made a member of the organization's Half Century Club at the June 5 monthly meeting this year. On that occasion, President Percy H. Johnston paid the following tribute to him:

> It is given to but few men to have won so high an esteem and affection from their fellow men and to have lived so humanitarian a life. His name has been associated with so many enterprises for making the world a better and happier place in which to live that we shall always remember him as a patron of humanity—a man we were all proud to call our friend.

Mr. Speyer served on many important committees of the Chamber and was twice elected a Vice-President for four-year terms. He had been a member of the Board of Trustees of the Real Estate of the Chamber since 1933.

President Johnston appointed the following committee to represent the Chamber at the funeral services held for Mr. Speyer at his Fifth Avenue home on Nov. 3:

> Mr. Johnston, Vice-Presidents Leroy A. Lincoln, Franklin D. Mooney, John M. Davis, Jeremiah Milbank, William J. Graham, Lewis E. Pierson, John D. Rockefeller, Jr., J. Stewart Baker, Frederick E. Hasler, Sydney G. McAllister and John M. Schiff; H. Boardman Spalding, Chairman of the Executive Committee, and Charles T. Gwynne, Executive Vice-President.

Dr. Jonah B. Wise, rabbi of Central Synagogue, and the Rev. Charles W. Baldwin, rector of St. Mary's Episcopal Church of Scarborough-on-Hudson, N. Y., were the officiating clergymen, said the New York "Times," which also stated:

> Relatives of Mr. Speyer who were present were Herbert Beit von Speyer, his nephew, and Mrs. von Speyer; Mrs. Edgar Speyer, his sister-in-law, and John Dyneley Prince, a nephew of Mr. Speyer's wife, the late Mrs. Ellin Prince Speyer, and Mrs. Prince.

Bankers and others prominent in philanthropic and educational spheres were among the large number who attended the services.

During and after the World War Mr. Speyer took an active part in both military and humanitarian undertakings. He also was active from the beginning in the movement to repeal the Prohibition Amendment.

During the last few years, Mr. Speyer gradually resigned his directorates on the boards of banks, trust companies, etc. However, he continued his connection with the public-spirited undertakings in which he was interested, viz., Provident Loan Society of New York (Mr. Speyer was the Honorary President and had been a Trustee since its founding in 1894); Chamber of Commerce of the State of New York; New York World's Fair 1939 (an incorporator and member of Finance and Executive Committee but resigned in 1940); Hundred Year Association of New York (member of Board of Governors; Speyer & Co. was elected to membership in 1937; Citizens Budget Commission; Greenwich Village Historical Society and Federal Memorial Hall Museum.

Mr. Speyer's retirement from active business and the discontinuance of Speyer & Co., was reported in these columns June 17, 1939, page 3630, at which time a sketch of the career of the banking firm was given.

Manager Ind. Bureau

Announcement was made Nov. 2 by the Commerce and Industry Association of New York, Inc., of the appointment of Wadsworth W. Mount, who for the last 3½ years has been the Association's Assistant Director of Research, to the position of Manager of the Association's Industrial Bureau, succeeding R. V. Rickcord. Mr. Rickcord retired as Industrial Manager on Oct. 31, to take the position of Director of Industrial Relations for a large St. Louis manufacturer of ammunitions.

Mr. Mount, it is said, has had a broad experience in financial and accounting work, and business management in the operation of a manufacturing business. He was formerly President and Treasurer of Mount & Robertson, Inc., manufacturers of fine woodwork, partitions and brokers' stock boards, with factories in Brooklyn and New Jersey.

Lumber Movement Week Ended Nov. 1, 1941

Lumber production during the week ended Nov. 1, 1941, was 5% less than the previous week; shipments were 2% greater; new business 3% greater, according to reports to the National Lumber Manufacturers Association from regional associations covering the operations of representative hardwood and softwood mills. Shipments were 8% above production; new orders 5% below production. Compared with the corresponding week of 1940 production was 13% greater, shipments 1% less, and new business 7% less. The industry stood at 120% of the average of production in the corresponding week of 1935-39 and 134% of average 1935-39 shipments in the same week.

Year-to-Date Comparisons

Reported production for the 44 weeks of 1941 to date was 13% above corresponding weeks of 1940; shipments were 13% above the shipments, and new orders 8% above the orders of the 1940 period. For the 44 weeks of 1941 to date, new business was 5% above production, and shipments were 6% above production.

Supply and Demand Comparisons

That ratio of unfilled orders to gross stocks was 33% on Nov. 1, 1941, compared with 32% a year ago. Unfilled orders were 10% less than a year ago; gross stocks were 13 less.

Softwoods and Hardwoods

Record for the current week ended Nov. 1, 1941, for the corresponding week a year ago, and for the previous week, follows in thousand board feet:

Softwoods and Hardwoods

	1941 Week	1940 Week	1941 Previous Week (Rev.)
Mills	455	455	478
Production	252,715	224,627	267,116
Shipments	274,169	277,971	268,537
Orders	240,361	258,051	233,482

	Softwoods 1941 Week		Hardwoods 1941 Week	
Mills	378		89	
Product.	242,730	—100%	9,985	—100%
Shipments	262,631	108	11,538	116
Orders	227,213	94	13,048	131

Dutch Bond Payment

The Royal Netherlands Legation at Washington announced on Nov. 3 that arrangements have been completed for the payment in United States dollars of coupons which matured subsequent to May 15, 1940, from bonds of the Kingdom of The Netherlands, with respect to such bonds as have previously been registered with a consular official of The Netherlands. Individual holders are being advised by letter that they should present their bonds through their bankers to J. P. Morgan & Co. Incorporated, New York City, accompanied by the certificate of registration, on or after Nov. 3, 1941. According to an announcement issued by the Netherlands Information Bureau, the Royal Netherlands Government has always been anxious to resume, with as little delay as possible, the interest service of that portion of the national debt which is indisputably free of enemy control, but the necessary investigation to insure this consumed considerable time.

The Royal Netherlands Legation on Nov. 9 issued the following statement:

> The Royal Netherlands Government, exercising its functions in London, has issued a decree providing, upon certain conditions, for the registration of bond certificates of Netherlands East Indian loans and payment of interest coupons appertaining thereto. Facilities for registration will be available until Jan. 1, 1942, and owners of these bonds, residing in continental United States of America, are advised to contact the Netherlands Consulates General in either New York, Chicago or San Francisco.